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SOCIAL JUSTICE

Father Coughlin's Weekly Review

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Volume III No. 21 | Royal Oak, Michigan | May 24, 1937

"COMMUNISM IS HERE"

---Governor Murphy of Michigan.

"When It Breaks, It Will Be In the Detroit Area"

---President Roosevelt.

C.I.O. Calls Renters to Seize Homes

"Sheriff Can't Evict 20,000!" Is Challenge In Pontiac Paper; Is First Step in Confiscation

Michigan, the birthplace of the bank holiday and the birthplace of the sit-down strike, is cradling a new economic theory, namely, the strike against rents, with probable confiscation of property.

In a paid advertisement in the Pontiac Daily Press of Tuesday, May 11, 1937, the C. I. O. served notice to all property owners in the Pontiac metropolitan area that rents are too high.

On Monday, May 3, a committee of the United Automobile Workers, organized under Pontiac Local Union 159 of the C. I. O., held a meeting with the president of the Pontiac Real Estate Board, the prosecuting attorney of Oakland county, the president of the Oakland County Bar Association and a Circuit Court Commissioner. The purpose of this meeting was to secure a voluntary reduction in rents.

On Tuesday, May 4, a second meeting was held with the president of the Real Estate Board and two receivers for local banks. According to this notice, all major property owners were invited to the conference.

Rents Rising Faster Than Pay

The complaint of the workers is that the average rent increase is approximately 50 per cent higher than the actual increase in labor's wages. The plain statement is made

(Continued on Page 10)

An Open Letter to the Clergy

By Father Coughlin

MY FELLOW CLERGYMEN:

For some weeks I have been holding in my possession a letter which I received from a Catholic priest active in the archdiocese of Chicago. Naturally, common ethics compel me to cloak his identity.

It occurred to me that it would be advisable to print his thoughts and offer for the consideration of all priests, ministers and religionists a few comments which might have a salutary effect on our attitude towards the social question in general and usury in particular.

His letter reads as follows:

"My Dear Confrere:

"Candidly, I am compelled to take exception to your vicious onslaught against international bankers who, by the way, are non-existent.

"Now, that you have been retired to your own parish more or less discredited especially amongst Catholics, please oppose the Communists, who, like yourself, desire the nationalization of banks and the collectivizing of all industry.

"Much good can be accomplished by you if you adopt the same program which made America the most gracious nation in the world towards Christianity. It is not so important that Congress coin and regulate money as it is for Congress to pass salutary laws for the protection of righteousness. Moreover, it is specifically important for you to leave the money question alone and adhere strictly to your personal sanctification and that of your flock.

"Money is a mystery as far as priests are concerned just the same as theology is a mystery as far as bankers are concerned.

"Of course, I refrained from criticizing you while you were content to advocate a living wage for labor. But I can not rejoice when you agitate the poor against the rich.

"The purpose of this candid note is to tell you frankly why I can not subscribe to your paper 'Social Justice.'

Fraternally yours,

(Signed) ....."

I sincerely regret that a fellow clergyman holds such unsound fancies as does my correspondent from Chicago. In his first paragraph he calls into question the existence of international bankers. Our common superior, Pius XI, nevertheless, states in "Quadragesimo Anno" his opposition to **"a detestable internationalism or international imperialism in financial affairs."**

An international banker is in nowise identified with our domestic bankers. The former is engaged in making loans to foreign governments, to foreign central banks, to foreign munition manufacturers whose stocks in many instances are owned by central banks. He is busied in shuttling gold back and forth from continent to continent and in creating and regulating the credit money used throughout the world. It is he who is largely responsible for withdrawing billions of credit dollars from circulation and thereby manipulating prices, prosperity and depression.

All this is elementary in the science of economics and in the history of money.

As a concrete instance of what is meant in the above paragraph one may cite the $24-billion of American wealth which J. P. Morgan and Company, together with the privately owned Federal Reserve Banks and a few other professed international banking houses in America, siphoned into Europe for the conduct of the last war. Again, one may remind his readers that through the shipment of billions of dollars of gold to Europe, through the agency of the above mentioned banking houses, through the secret use of a $2-billion stabilization fund used by our government to protect the privately owned Bank of France and through a dozen other media, we have witnessed the activities of international bankers. Already they have forced America to make prepayment for the conduct of the next European war.

In his second paragraph the Chicago clergyman accused me of advocating the "nationalization of banks and the collectivizing of industry." Both of these accusations are totally unfounded. At no time, either in my

(Continued on Page 6)

Fits Forecast of President and Governor

Pontiac Renters' Strike Bears Out Predictions Of Both State and National Executives

After his return from the Philippines, Governor Frank Murphy of Michigan informed the writer at the Shrine of the Little Flower that, according to President Roosevelt, **"if Communism breaks in America, it will be in the Detroit area, where it will first manifest itself."**

Some months later, in the heat of discussions resultant from sit-down strikes, Governor Murphy was closeted with the same writer and several of his friends at the Book Cadillac Hotel in Detroit and remarked, on being questioned: **"Communism is not coming. It is here. The only thing now needed is for them to begin confiscating property."**

In the January 11 edition of SOCIAL JUSTICE, there appeared a news story entitled, **"An Automotive Strike Leader Lets the 'Cat Out of the Bag.'"** In this story one of the chief factors in the sit-down strikes in America admitted in an interview that the objective of the C. I. O. was not to gain the five or ten-cent wage raise per hour. The ultimate objective was the confiscation of industry.

Men Must Have Homes and Food

The word "Communism" is distasteful to American ears. The laborer is not interested in Communism or Christianity one-half as much as he is interested in food, shelter and clothing. Consequently, he is for that system which pro-

(Continued on Page 10)

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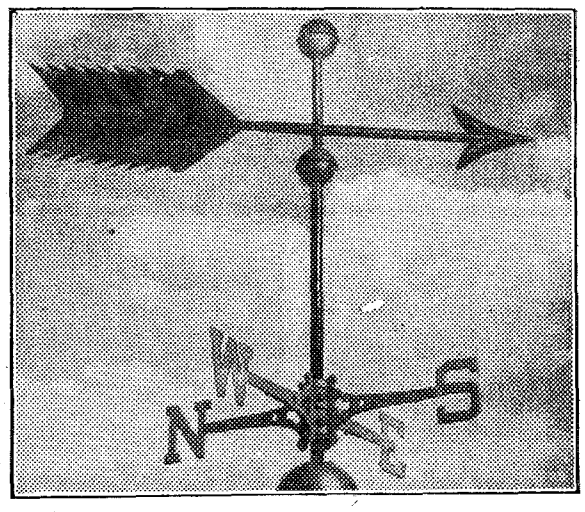

THE INDICATOR

By Father Coughlin

SEVERAL weeks ago it was my good fortune to attend a meeting at which was present an outstanding automotive worker. To prepare your mind for the paragraphs about to follow, this laborer, to whom reference is made, is a sincere gentleman and a practical Catholic.

* * *

A discussion arose as to the advisability of his remaining identified with the C. I. O. He informed the gathering that he had joined the Lewis organization chiefly **because there was no other place for the laborer to go.**

* * *

Every one at the meeting admitted that industry had exploited labor. Every one admitted the soundness of the principle of labor unions. Every one defended the necessity of the automotive working men to unite in order to obtain their just rights.

* * *

The question arose, however, as to the soundness of the C. I. O. and its affiliate, the U. A. W. It was pointed out that the C. I. O. is autocratic; that Mr. Lewis does not believe in the principle of electing the higher up officers; that he reserves for himself to dictate the top personnel of his organization. It was further indicated that men like Sidney Hillman, Dubinsky, the Reuther Brothers, Maurice Sugar and others of their type dominated the ideological set-up of C. I. O-ism. Finally, attention was called to the fact that Frankensteen and other local leaders in the U. A. W. recognized the economic futility of raising the automotive wage by 10 or 5 or 3 cents an hour because the purchasing power of the wage dollar immediately shrunk insofar as groceries, fuel, rent and other commodities experienced a substantial price raise.

* * *

This being so, why were these so-called leaders occupied in unionizing the workers for the main objective of a fictitious wage raise? The former preachments of the radical leaders above named indicated that their hidden objective was and is to take over the factories. Their method was appealing insofar as they forcefully demonstrated to the workers how simple it was to obtain a 10 cent per hour raise which was not very strenuously opposed by industry itself.

* * *

BEHIND their method laid the following psychology: With a modest percentage of automotive workers originally in their union and with a 10-cent-an-hour victory within their power, many thousands of other working men would then join the U. A. W. on the principle that the first victory for labor always attracts a larger following for the union. The Reuthers and Maurice Sugar, inspired by Dubinsky and Hillman, were intelligent enough to recognize that the 10-cent-an-hour raise would mean nothing after two or three months. Their plan called for another strike backed by the members in the union. Another 10-cent-an-hour raise would be demanded and obtained.

* * *

After another three months or so, the purchasing power of the dollar would be manipulated so as to nullify the second temporary gain made by labor.

* * *

This was fine psychology, according to these leaders, simply because each succeeding strike meant an actual loss in dollars and cents to the strikers due to the lay-off which they experienced during the strike negotiations. Eventually, so it was explained to us by a member of the U. A. W., the radical leaders could appeal to their following to take over the factories in their entirety, thereby ending the necessity of further strikes and lay-offs.

* * *

IN A prominent Catholic Church conducted by a religious organization there is a preacher who is advising his Catholic and Protestant following to join the C. I. O. Overtures have been made to me to encourage working men to join the C. I. O. on the grounds that they had nowhere else to go.

* * *

They have nowhere else to go except into the arms of an organization controlled by radical leaders. This is a serious situation and a most damning criticism of all of us who are concerned. Bear in mind, (I say this without boasting and without regret)it was I who played the major part in organizing originally the U. A. W. It was organized on the basis of **a living annual wage predicated on an honest dollar.** Subjected to an avalanche of hostile criticism from my fellow clergymen, I was forced to withdraw from the U. A. W. Immediately it fell into the hands of the radicals.

* * *

It is strange that clerical opposition confronted me when the U. A. W. was being established under Christian auspices. The moment that Maurice Sugar and the Reuther brothers captured its control and set up within it a group of radical principals, the clergy invited the laborer to join it.

* * *

Now I am asked to encourage laborers to join the Reuther-Sugar-Hillman-Dubinsky-Lewis-Frankensteen dominated organization. What course shall I pursue?

* * *

Some friends of the same mind as the clergyman to whom I refer above think that we should "bore from within" the U. A. W. thereby gaining control over it. If that is sound philosophy why not advocate that Catholic priests join the Methodist Church and convert all Methodists by boring from within?

* * *

IN THE days of the Spanish Inquisition, Spanish Catholics forced Jews to join the Catholic Church. Some Jews really became converts. Others, to retain their property and their financial prestige joined the Church with the determination of so "boring from within" that they would weaken it. The result was bad for both Jews and Catholics.

* * *

The shame of the whole matter, concisely, is this: **In 1891 and in 1931 two Popes solemnly asked the Catholic clergy to interest themselves in establishing trade unions.** Leo XIII, in referring to the social question, called it **the most momentous question of the age.** Pius XI warned the Catholic clergy to bend every thew and sinew in the battle against the exploitation of the poor, the concentration of wealth and the **establishing of trade unions, as he insisted that the unsound private control of money was at the bottom of all economic trouble.**

* * *

When will there be real Catholic action which will find a way of sending men out of the pulpit, of the smoking room, of the study club and of the rectory, to get down among the people and ACT. The day for **talking** about Catholic action has passed. It appears the more we talk about it, the more ridiculous it becomes.

* * *

In the meantime, I can not bring my mind to the point where I deem it moral to advocate Catholic or Protestant Christians to join the C. I. O. or the U. A. W. with its present set-up, which is so well known to me, any more than I could advocate a group of my flock to join the Holy Rollers and "bore from within." I believe the Fathers of the Church once referred to this policy as "spiritual fornication." It is the way the Communists act. It is the method advocated by Karl Marx, by Lenin, by Stalin and by the Reuthers. In fact, their whole philosophy is destructionism by always boring from within.

* * *

In conclusion, I might say that the policy of boring from within is a buck-passing policy. Once more the Christian leaders tend to sit back and let their leaderless flocks do the actual dirty work themselves.

* * *

Referring back to the first paragraph of THE INDICATOR, a fine Catholic laborer joined the C. I. O. because there was no place else to go. In joining it he submitted to the leadership of the radicals whose names are incorporated in this article. Shall we ask all our Catholic and Protestant laboring men to follow his example? Or shall we leaders be real leaders by actually leading our own people in action?

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Senate Committee Defeats Court Packing Proposal; Vote Is 10 to 8

Rejection Stern Rebuke To President Roosevelt

WASHINGTON, D. C.—Complete defeat for President Roosevelt's Supreme Court "packing" demand was presaged by the Senate judiciary committee's flat rejection of the bill and all amendments.

The committee reported out the Court reorganization bill with recommendation against its passage. The vote was 10 to 8.

The committee rejected all proposed amendments urged by the "compromisers" by a vote of 12 to 6.

It was the consensus on Capitol Hill that the plan to "pack" the Supreme Court is dead as the proverbial Do-Do bird.

The deadlock in the Senate Judiciary committee was broken when Senator Pat McCarran of Nevada switched to the president's opposition. He was followed by Senator Carl Hatch of New Mexico and Joseph O'Mahoney of Wyoming.

The vote in the Senate will be admittedly close. Washington comment credits the president with the support of 47 senators. On the other side 48 are admittedly opposed to it.

Meanwhile, the committee's action, which traditionally sets the pace for action in the Senate chamber, is a stern historical rebuke to the executive's self-inspired effort to mould an independent judiciary to his own will, by virtually setting up a system whereby a "rubber stamp" Congress would supplant the Constitution.

In any event, the resignation of Justice Van Devanter, 78 years old, and the rumored intention of Justice Brandeis, 80, to follow his colleague into retirement, would give the president two new appointments immediately.

Sundays at Shrine

May 30—New York City, Brooklyn and surroundings.
June 20 — Western New York, including Buffalo, Syracuse, Albany.
July 4 — New England States.
July 18 — Pennsylvania, New York, New Jersey, and Cincinnati.
July 25 — Chicago, Indiana, St. Louis, Kansas City.
August 8—Cleveland and Toledo.
August 15 — Maryland, Virginia and Washington, D. C.
August 22 — Michigan, Minnesota, Wisconsin.
September 5 — National Day. (For all.)

Social Justice Presents

Father Coughlin's Letter to the Clergy	Page 1
"The Indicator" by Father Coughlin	Page 2
Editorials, "Eyes and Ears"	Page 4
C. I. O. Calls Pontiac Rent Strike	Page 1
Roosevelt, Murphy See Communism	Page 1
"Know Social Justice Contest	Page 14
Early Presidents More Careful	Page 15
Federal Reserve Plan Gambler's Idea	Pages 8-9
Money Bills Worry the Big Bankers	Page 7
Congressional Recordings	Page 5
Labor Pawn in Battle Over court	Page 11
Putting "Teeth" in Neutrality	Page 16
The People Speak	Page 13

Willis Van Devanter Resigns

Following the report officially issued by the Senate Judiciary Committee against Mr. Roosevelt's attempt to pack the Supreme Court, Willis Van Devanter tendered his resignation to the president forthwith.

Justice Van Devanter, who comes from Indiana and Wyoming, while rated among the conservatives, nevertheless has consistently upheld the best traditions of the United States Supreme Court and should be rated more correctly among the constitutionalists. For 25 years he has been a member of the highest judicial body in the United States. This venerable 78-year-old gentleman's retirement from public office leaves a vacancy which will be difficult to fill with a man of equal talent because he was renowned as a scholar of the highest rank.

Insofar as it is now common knowledge that the New Deal has persisted in passing unconstitutional legislation because it depended for the concoction of its bill, not upon the elected congressmen, but upon hastily-appointed brain-trusters, Mr. Van Devanter was willing to sacrifice the ephemeral public acclaim by opposing such unconstitutional proposals, not because they were bad in themselves, but because they did not harmonize with the highest law of the land.

Thus, he voted against the following major New Deal proposals: The Hot Oil Case, the Gold Clause legislation, the Railroad Pensions Act, the N. R. A., the Farm Mortgage Moratorium, the A. A. A., the Rice Millers, the Securities Act, and the Guffey Coal Act.

He voted for the T. V. A.

Speculation is already rife as to the successor of Mr. Van Devanter. Already it is rumored that Mr. Roosevelt is holding conferences with the radical Frankfurter, the father of the Harvard brain-trusters and the associate of pinks, reds and yellows of America. It will be no surprise to SOCIAL JUSTICE if one of his off-spring, probably Robert H. Jackson, will be chosen by the president to fill the giant shoes of a noble man.

SOCIAL JUSTICE joins with America in paying a deserved tribute to an outstanding justice of the Supreme Court whose presence would have added honor and glory to the presidency of a Washington or a Lincoln, and whose retirement will now test the ability of the New Dealer in choosing a successor.

"Bigness of Business" Hit by Supreme Court

Justice Brandeis to Quit

All during his life, Justice Louis D. Brandeis fought against the "bigness of business." Time after time he pointed out that big business, as understood in America through the operation of chain stores and monopolies, would drive all private merchants and manufacturers to the wall.

He clearly proved that if big business were permitted to continue and to grow, all wealth would be concentrated in the hands of the stockholders of these corporations and all prices, for example of groceries, would be determined by such organizations as Kroger and Co., the A. & P. Grocery and other such corporations. They could buy raw food at low prices from the farmers, process it in their own factories for the counters and sell it at their own prices to the consumer.

Achieves Ambition

Brandeis also pointed out the sociological evils attendant to so-called big business. It was harmful to the mushroom cities which grew around them, to the schools attended by children of laborers engaged in monopolies and to constitutional Americanism insofar as he foresaw that eventually the laborers would rise up to confiscate big business. Insofar as the Supreme Court now has upheld the Louisiana state law and the decision of the federal district court, Justice Louis D. Brandeis has achieved his life's ambition. He is now ready to resign.

If and when Justice Louis Dembitz Brandeis will resign, America will lose the services of one of its most outstanding legal lights. He hails from Kentucky. He was schooled at Harvard in the days before Harvard became famous because of the Frankfurter radicals.

A Jewish Liberal

All his life he was a liberal and an aristocrat, at least intellectually speaking. He was born of an aristocratic Jewish family and married into a blue-blooded Christian Massachusetts family.

Of course his resignation will afford Mr. Roosevelt an opportunity to appoint another Jew in his place, and probably another Harvard man. Unfortunately for America, the high-type Jew and the high-type Harvard man that Brandeis proved to be will be hard to find if the presidential choice veers towards the Frankfurters.

Last week the Supreme Court handed down a decision which will tend to check vitally the concentration of wealth in the hands of a few. According to this decision, it is now legal for any state government to tax out of existence the multiple chain stores which, in the last thirty years, have tended to drive private merchants out of business.

In Louisiana, Huey Long was responsible for passing a state law which put a graduated tax on gross receipts of chain stores. The proprietors of these monopolistic enterprises fought the Louisiana state law in the federal district court of that state.

As a result the federal district court sustained the Huey Long chain store legislation.

Then the chain store owners carried the case to the Supreme Court, hoping for a favorable decision in their behalf.

To review the Louisiana State Act relative to chain-store-ism, the tax is fixed at $10 per store for the first ten stores. It ranges up to $550 per store for 500 or more stores.

This means that if a corporation operates 500 stores anywhere else in the United States, and operates only 40 in Louisiana, those 40 will be taxed at $550 each.

Graduated taxes on gross receipts of chain stores have been ruled out by courts in Florida, Iowa and Vermont. Georgia courts have invalidated a flat chain-store tax. So has New Mexico.

Arizona repealed its chain store tax. Voters rejected such a levy in California last November.

'Illinois Day' at the Shrine

On July 25 the beautiful rose-colored stone which was donated by the citizens of Illinois and set in the massive walls of the magnificent Shrine will be dedicated by the Rev. Charles E. Coughlin, pastor.

On this day citizens from the industrial city of Chicago, where Father Coughlin spoke to more than 100,000 persons; from Peoria and Springfield, and many other small towns and cities of the Prairie State, will visit the Shrine of the Little Flower at Royal Oak, Mich., made famous by the radio broadcasts of Father Coughlin. An interesting program of services has been arranged,

Anyone planning to make this trip may do so by contacting Mr. Ernest A. Hartman, 8609 S. May street, Chicago, Ill., who is conducting one tour.

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

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PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

Rich Labor Leader

THE appointment of George L. Berry to the Senate seat vacated by the death of Senator Bachman of Tennessee has little more political significance than that it provides another sure vote for the president's "court-fixing" scheme—or virtually anything the president may propose.

The appointment is worthy of special attention because the newspapers have told the nation that this new Senator will take his place well to the front among the ranks of the Senate's millionaires.

Evidently there is more to this business of labor-leading than appears on the surface. By leading labor, as it appears, you can become what the president chooses to call an "economic royalist."

The question that occurs to the thoughtful mind is whether or not the "economic royalists" who support Mr. Roosevelt are benevolent royalists, whereas all others are hateful, destructive and despotic royalists. It would seem that way.

There is no easy method of discovering how Labor Leader Berry became the multi-millionaire it is alleged he is. The older members of the Pressmen's Union can perhaps remember when and how Mr. Berry made his millions.

All that current events reveal about his business acumen is that he is pressing the federal government for $1,663,000 on a claim arising from the submerging of mining interests in the area of the Tennessee Valley authority. That does not explain; it is impossible for a capitalist to get his start that way.

However, Senator Berry obtained his millions, his case is still full of interesting problems, with these two heading the list:

(1) How does a bona-fide labor leader become a millionaire?

(2) How can an "economic royalist" also be a New Dealer?

Gestures of Economy

WHILE the president was vacationing the somnolent Congress did as much as was possible to prove that the recent serious consideration of economy in government was merely a gesture.

Members of Congress, who are sincerely interested in economy because it will help to protect forgotten men from the horrors of credit inflation, suffered two defeats at the hands of the majority.

A bill authorizing the expenditure of $112,000,000 for a second T. V. A. dam at Gilbertsville, Ky., was pushed through the Senate by a vote of 46 to 29.

In the House, the full committee on appropriations over-rode the recommendation of a sub-committee which studied the president's request for one and a half billion dollars relief appropriation.

The sub-committee said that $500-million could be saved without in any way injuring the nation. The committee of the whole said the president must have his billion and a half regardless.

It is difficult to get politicians to turn down expenditures from which they themselves benefit politically.

Meanwhile, everyone, including members of Congress, foresees disaster if the spending-borrowing program of the New Deal is not drastically curtailed.

It looks as though the people will have to be satisfied with disaster.

Powerful But Poorer

PERHAPS there has never been a clearer demonstration of the power of organized labor than the recent vote by the workers of the Packard Motor Company, under the provisions of the Wagner Act.

Certainly there never has been a more conclusive demonstration of how little such power can mean to the individual laborers on whom alone the power of labor organization depends.

At a meeting held by less than a quorum of the workers to "ratify" the agreement drawn between U. A. W. leaders and Packard, there was in evidence an ominous discontent with what the laborers as individuals were able to get for themselves through the power they have created for their leaders.

This election and the subsequent negotiations, which were hailed nationally as a great victory for labor and for the Wagner principle of handling labor disputes, resulted in a niggardly 3 cents per hour raise for the laborer.

Let him take that home and meet the sky-rocketing cost of living with it.

The power-dazed average laborer must have received a jolt when he heard the reply of C. I. O.-ster Frankensteen to the question, "Why did you not hold out for the 10-cent an hour raise that was the original demand of the union?"

Frankensteen said:

"The answer to that question is a simple one, **we couldn't get it.**"

Surely such a reply from their leaders must have been a severe let-down for the rank-and-file unionists who have been boasting that **labor is at last "on top."**

The worst of it is that the laborers will have to be gleeful over their 3 cents for at least another year.

Why? Read Article XIII of the signed agreement:

"The union will not cause or **permit its employes to cause** nor will any member of the union take part in any strike, either sit-down, stay-in or any other kind of strike or any other interference or any other stoppage, total or partial of any of the company's operation during the term of this agreement. **This agreement shall remain in force and effect until the first day of May, 1938, inclusive.**"

Meanwhile, the price of baby's shoes, food, rent and everything else will go higher; the laboring man's 3 cents will grow even smaller—and there is nothing he can do about it.

What has the laborer done? Has he welded a log-chain, with C. I. O. links, which will **bind him permanently to the low standard of living to which the depression has accustomed him?**

EYES and EARS

By Mark Meechan

PRESIDENT ROOSEVELT, returning from vacation—nerves rested, doctor's orders meticulously complied with, back in the tip-top pink of condition—says there will be no compromise.

He did not say it in so many words, but it can be validly assumed that he meant, among other things, that there will be no compromise on the Supreme Court issue.

We will suggest that the President would have been supremely wise had he spoken directly about the issue foremost in the minds of every American worthy of the name.

With all deference to the President's keenness of mind and exactitude of diction, we will go farther and suggest that, had he spoken about the dominant issue of the nation's history, he should have said that there can be no compromise.

It is unworthy of any supporter or opponent of the President's almost unbelievable plan for reorganization of the judiciary to mislead ill-informed but sincere citizens by lending any weight to the theory that a compromise is even possible.

The Supreme Court, as well as the inferior federal courts, must either be independent or subservient—those are alternatives as completely antagonistic to each other as virtue and evil, as black and white, as beauty and ugliness. They are perfect contradictories.

Those senators who have expressed themselves as favoring compromise are open to criticism, not necessarily of their sincerity, but of their clarity of mind.

Trimming down the number of judges which the President may appoint to the Supreme Court—NOW—in order to get the court's support of his new and unrevealed program, does not change the fact that the principle of making the Supreme Court a pander to the executive will is still involved.

The Supreme Court is now so closely divided as to make the appointment of two or even one justice, committed in advance to the support of New Deal legislation, a "fixing" of the Court.

When a thing is wrong in principle it is eternally wrong. The only way the President's plan can be made rational is by the abrogation of the Constitution itself.

Even the amending of the Constitution by the people for the purpose of authorizing the President to appoint six Supreme Court justices, who might be depended upon to support his proposals, would destroy the Constitution,

(Continued on Page 10)

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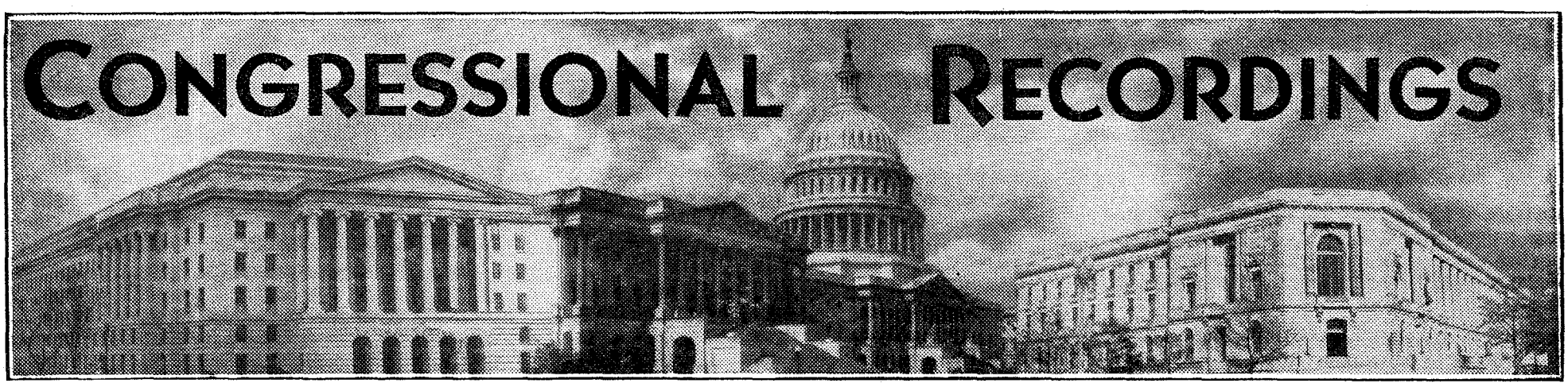


No Relief Reduction Will Save Us

By Hon. Robert G. Allen
Representative from Pennsylvania

I am in accord with the president's general proposal to balance the budget but not at the expense of the unemployed. I am just as anxious to balance the budget as any other man in America. I wish to see federal expenditures cut down and I yield to no man my desire to eliminate the waste which exists in our government.

But we should not balance the budget on the basis of present income at the expense of human beings whose sole means of livelihood is either work relief or direct relief.

Millions of dollars can be saved in Washington today **by eliminating useless agencies, by stopping duplication of effort, and by pumping energy into a sluggish bureaucratic machine.** Why then start an economy program by cutting relief appropriations when relief is still needed badly?

The time has come when **we must cease treating the unemployment problem in America as an emergency measure.** The hour is here when we must formulate sound, long-range policies to take care of those men and women whom private industry has failed to absorb.

We still are faced with the horrible prospect of poverty and destitution in the richest nation on the face of the earth. We are enjoying in America today an industrial boom; factories are working full time and in many places at full capacity. At least one group of our people is as prosperous as in 1929.

Yet in a nation where business prosperity has returned, there are still 10-million men and women unemployed in private industry. There are approximately 6-million more who are working part time and at wages so low that if they were to lose their jobs tomorrow, they would immediately be forced to demand relief or starve.

Either a man works and he lives, or he receives relief and he exists, or he starves and he dies. Congress' fight, first and foremost, should be to provide jobs for the unemployed that they may live. Failing to do that, we should fight for relief that may exist until such time as our economic order is brought into a more perfect balance. Never should they be permitted to starve and die, and that is exactly what will happen if Congress does not appropriate adequate funds.

Buy Our American Farms Back From Creditors, Urges Peterson

Why Not Give Our Farmers Benefits Europeans Enjoy?

By Hon. Hugh Peterson
Representative from Georgia

At present three million farm families are settling down to a social state of selfdom heretofore foreign to our great country.

Two million more farm families, with their homes heavily mortgaged, struggle on under the burden of debt, hoping that a kind Providence will save them from a like fate.

Fewer than two million farm families of the nation's once proud group of independent home-owning farmers remain, and their ranks are thinning every year.

The independent, self-supporting home owner is rapidly vanishing.

It is the duty of government to halt this dangerous and destructive tendency, and to preserve for our people their independence and their free intsitutions.

Farm Prosperity Recovery Key

Before there can be permanent recovery from our economic crisis the farmers of this nation must be restored to a healthy condition of normal prosperity.

The average farm owner who has a mortgage on his farm occupies a hopeless position.

He is producing yearly enough to support himself, and his family, could the purchasing power of his produce be devoted to his domestic repuirements. But he is prohibited from using it in this manner. It must go to pay the interest, carrying charges, and sinking funds on the mortgage debt. He is deprived of the use both of these raw products and of the finished goods which are processed from these raw products.

There is nothing new in my proposal for our government to buy back these encumbered lands and give them free of debt to farm families.

In 1803, our federal government purchased more than 500-million acres of land and gave it free of debt to farm families.

In 1819, we purchased land from Spain and gave it free of debt to farm families.

In 1884, we purchased land from Mexico and gave it free of debt to farm families.

In 1850, we purchased land from Texas and gave it free of debt to farm families.

In 1867, we purchased land from Russia and gave it free of debt to farm families.

Homesteaders Lost Debt Free Farms

Even now the administration is selecting certain favored farm families and giving to them farm homesteads free of debt.

It is a pity we have failed to protect those farm homesteads from the

(Continued on page 14)

Unfair to Use Tax Money to Win Political Support

By Hon. Clare E. Hoffman
Representative from Michigan

It was on October 19, 1932 that the president told us:

"Taxes are paid in the sweat of every man who labors. . . . Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy."

Last year at this time the national debt was $31,436,531,536, but now it is $34,877,002,968. This with returning prosperity and increased receipts.

What does the president do about it? He goes fishing. The worker digs for the tax money.

Now we have the anomolous situation of the Republican minority bent on economy, having its efforts supported by Democratic leadership in the Senate, and opposed by a House majority and the president.

Since coming down here in 1934 my vote has been persistently and consistently cast for economy and against spending money and in view of the conduct of other members, I am getting weary of it.

It has finally dawned upon me that in order to be re-elected, I must get some votes somewhere from someone, and if one has but little merit of his own, votes must be obtained by doing favors for one's constituents.

The usual and the customary way employed by Mr. Farley and his aides seems to be to enact legislation which will give someone something, and I say that I am getting very, very tired of voting against appropriations all the time.

If you gentlemen can vote to spend money for every conceivable purpose and in uncounted amounts, and do it continuously throughout the months and the years, and so induce people to vote for you, then some day, when the sun is shining and everything seems lovely, I will bring in a few bills of my own for the relief of every one and of every class, that I know, starting with aged ministers, aged judges, justices of the peace, constables and other peace officers if there be any, school teachers, doctors, dentists, lawyers, and finally, including all who may be in need—and see if I cannot gather a few votes for myself somewhere along the line.

Why should I not join that great majority and do a little demagoguing on my own account? Why should I with a few others vote against this bill and that bill, while you gentlemen support all these bills and gain all the credit? If the purpose be to wreck the country, if you intend to drive us into national bankruptcy, if you will not heed the belated words of the president and practice economy, why should I raise my voice and with a few others, stand almost alone against an overwhelming majority?

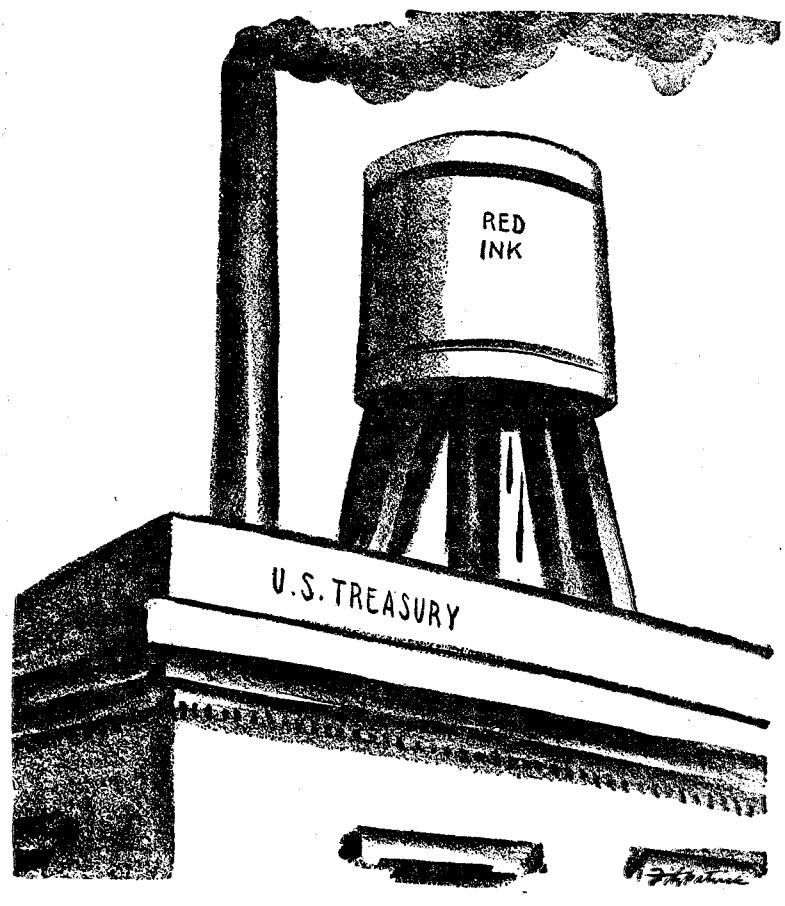
No doubt such bills would not pass, because finally more and more of us have come to realize that the end of the borrowing is at hand, that the fiddler must be paid.

But there is not anything fair or sportsmanlike in the attitude of those who continuously advocate the appropriation of the taxpayer's money in order to secure the political support of an organized minority. There is nothing fair nor sportsmanlike in introducing a bill or making a speech in favor of appropriations when one knows that such bill either cannot pass or will be vetoed.

Yet that seems to be the way to win an election and a re-election.

If we are to have national bankruptcy, if we are to have a revolution, as we will if this delegation of power continues, let us have it now. **Let us call the bluff of those who advocate the use of the printing press to supply funds to demanding minorities. Let us call the bluff of those who say they must have their way or they will bring on a revolution.**

Let us have an end to these continued threats of dire disaster.



—Fitzpatrick in St. Louis Post Dispatch.
"Oh, Say, Can You See?"

Country Needs Jobs More Than It Needs New Judges

By Hon. Joseph C. O'Mahoney
Senator from Wyoming

It would be the most tragic mistake in the history of the liberal movement in this country if this bill should pass. It accomplishes nothing except to divide the forces of economic and social justice.

This country does not need new judges on the Supreme Court. It needs jobs for the unemployed. It needs opportunities for the rising generation. It needs to open the door of the future to youth. It needs economic stability.

The problem is pressing for solution now, not at some uncertain date in the future when the Supreme Court may hand down a constitutional decision in some cases brought by litigants, who may not yet be born, to interpret some law that has not yet been passed.

The natural wealth of the United States is great enough to support every inhabitant in peace and plenty, yet millions are in distress. There is no man so blind now to deny that this is a national program.

The court bill does not solve it and holds out no prospect of solving it. Instead of indulging in futile debate over abstract questions of judicial power and the desirability of authorizing the president to appoint judges who will have no power to legislate, **let Congress exercise the power which no one now denies that it has. Let us meet the situation** with which we are now confronted by substantive law in the manner that the logic of modern economic conditions renders necessary.

Debts Bring Panic

By Hon. William Lemke
Representative from North Dakota

The nation is again being swamped with debts. Nearly every business man and manufacturer begs you, over the radio and otherwise, to buy on credit.

If the business men of this nation would only profit by past experience, they would know that **urging people to go into debt is just what brings about panics and depressions.** They ought to know by this time that they will again be caught and swamped just as they were in 1929.

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Fr. Coughlin's Letter to Clergy ... *Continued*

(Continued from Page 1)

broadcasts or in my writings, have I been guilty of such radicalism. I sincerely regret that a fellow priest was so willing to grasp the whip handle of idle gossip and lash me out of his good esteem.

Relative to the third paragraph of his letter, it is admitted that "our American Constitution has been benign in its attitude towards Christianity." Nevertheless, it is strenuously contended that a pernicious political system, a vicious economic system and a rapacious financial system have collaborated in America to concentrate wealth in the hands of a few and breed want in the midst of plenty. No intelligent priest can applaud a program which has reduced this nation to the condition in which it exists today.

In the same paragraph, the constitutional rights and duty of Congress to issue money and to regulate its purchasing power is belittled. If Congress does not issue the money tax free and predicate it upon the wealth of the nation, is it to be argued that some individual or group of individuals should have the right of manufacturing money through the process of a printing press or of a fountain pen, while those not belonging to their group should obtain their money by working for it at the lathe, behind the plow or in the markets of commerce?

Someone must issue money. Shall it be the government or a group of private individuals?

It is easy to speak in platitudes and say that Congress should engage itself in passing salutary laws for the protection of righteousness. No law can protect righteousness when such an injustice as legalized counterfeiting is permitted and protected on behalf of a group of individuals, simply because it is basically unjust to permit a small group to manufacture money through the grace of a fountain pen and insist that the rest of the citizens obtain money through hard labor.

The same paragraph inscribed by the Reverend Clergyman advises me to leave the money question alone and adhere strictly to my own sanctification and that of my flock. Unfortunately, this advice runs counter to the command of Piux XI. Unfortunately, I believe with the Holy Father that **"it may be said with all truth that nowadays the conditions of social and economic life are such that vast multitudes of men can only with great difficulty pay attention to that one thing necessary, namely, their eternal salvation."** To be silent on the present money question is to be silent on the virtue of justice.

Recognizing that it is my duty to **"bend every effort and to strain every thew and sinew"** in order to bring about social justice, I cannot conscientiously wink at an iniquitous money system which is responsible for concentrating wealth in the hands of a few and depriving the multitudes of an honest livelihood. That would not only be indifferentism. That would be treachery!

Money is no mystery. In its correct definition, it is nothing more than a receipt for wealth. I do concede that banking is mysterious. I confess that I do not understand its vagaries and trickeries any more than I do the manipulations of a shell game at a county fair.

But I do understand the nature of money. I do understand that it is unjust for any person to coin money unless he owns tangible assets or real wealth to back it. The fact is that real wealth does not exist back of all Federal Reserve money. The private owners of these Federal banks use the real wealth of the people. But they issue currency and credit money far in excess of the real wealth which they themselves own, and thereby acquire a receipt for wealth which is not their own.

Of these things I have written at length in the book **"Money—Questions and Answers."** At the moment space does not permit a lengthy discussion on these topics.

I prefer to pass on to my fellow clergymen, and especially to my Chicago correspondent, some thoughts on usury which might awaken him and all of us to the ecclesiastical problem which we will be forced to face in the near future.

II

In "Quadragesimo Anno," Pius XI states that **some things are so important by their nature that they should not be owned in private.** Now the most important thing in all industry, commerce and agriculture is money, insofar as it is the common denominator and the medium of exchange for all products. Therefore, it follows that the issuance, the regulation, and the control of money should not fall under the control of private individuals or groups of individuals. It should be owned and controlled in common.

The above paragraph constitutes a syllogism. Its conclusion is based on definite statements made by His Holiness. Can an informed clergyman refute that conclusion?

Moreover, this conclusion is in keeping with the Constitution of the United States which decrees that Congress has the right to coin and regulate the purchasing power of money.

In our day we have witnessed the viciousness of the unregulated dollar. Prices fluctuated abnormally because they who issue and control money either pour great quantities of it into the streams of commerce or extract equally great quantities through the medium of debt payments, of foreclosures or of a dozen other processes. Hence it is important that Congress **not only issue money, but also control it or regulate it for the welfare of all the people.** It is notorious that the Federal Reserve Banks have been guilty of controlling it for their own profit.

They are experts. It is of little advantage for the working men to strike for higher wages because they have no sooner won their strike than they who control the prices of raw materials, of finished products and of the volume of money raise the cost of living to such abnormal heights that the purchasing power of the dollar following the strike is less than the purchasing power of the dollar prior to the strike.

For a long time we clergymen were obsessed with the preachments of a panacea related to unionism. We were told that social justice was related almost totally to the establishment of Trade Unions or of Vertical Unions. Catholic professors and priests ridiculed the idea that money had anything to do with social justice although His Holiness has definitely emphasized its importance. In nowise am I opposed to the unionism of labor. But recent events have proven that the mere organization of labor in unions to demand higher wages per hour has resulted in no substantial gain for the laboring class.

For a long time we have labored under the impression that the chief devil opposing prosperity was the industrialist. Recent events have proven that, although industrialists have been greedy, rapacious and exploiting in their mass production methods, nevertheless, they are not all to blame for the predicament in which labor finds itself today. Labor is in the saddle. Industry is on its knees. Labor can have anything it demands from industry even up to the confiscation of factories. Even then labor will discover that before final victory can come, it must confiscate all natural resources and raise the red flag of Communism in order to gain control over the production of the conveniences, the commodities and the products which flow forth from our factories and fields.

Granting that all this shall occur, labor will have sacrificed its liberties, its individual rights, its democracy into the hands of a Soviet dictator for the privilege of enjoying food, shelter and clothing.

Now there is no need for labor demanding such a sacrifice. The liberties related to conscience, to politics, to education, and to religion need not be sacrificed for economic liberty. They must be retained with Christianity. They need not be sacrificed, I repeat, for Communism.

Pause to consider that approximately 67 per cent of our fellow citizens profess no affiliation to any religion. Since that is so, is it not true to assert that the majority of the economically exploited men and women of America are not interested so much in the preservation of Christianity as they are in a full dinner pail, an adequate shelter, decent clothes and other necessities and conveniences of the physical life?

Thus, if Communism, which is related totally to the physical life, offers a plausible program pointing towards economic freedom and if Christianity fails to do so insofar as it keeps silent on this most palpable and radical injustice of the money question, what good will our fine sermons accomplish, what results will follow our pollyanna attitude?

III

To solve the problem of social injustice, it is necessary to regard money as a receipt for wealth and to insist that money be issued tax free by the people themselves through their Congress into the channels of trade, commerce and industry. This initial step must be followed by a second step, namely, **by paying to labor a just, living, annual wage** independent of how many hours one works and predicated upon the willingness and the ability of a person to work.

A third step must then be taken. **The purchasing power of the dollar must be regulated,** not by a group of private individuals seeking their own profit as now happens today, but by the people themselves through their Congress whose business it is, according to the Constitution, to regulate money. This accomplishment is not a difficult matter, as all economists realize.

If I appear to be verbiose, please pardon me when I repeat that for every unit of wealth existing in a nation, there should be a corresponding unit of money because money is nothing more than a receipt for wealth. When wealth is consumed its receipt should be taken out of existence through the process of taxation. When new wealth is created more receipts should be placed in existence through the process of necessary public works conducted by the government.

That is a simple formula which is displeasing to Communists, whose desire it is to confiscate all profit, and to modern capitalists, whose desire it is to retain for themselves their spurious right of creating, of regulating, of issuing and of withdrawing money. The above is all elementary. It is good Christianity. It is good Americanism. No sensible man has ever tried to uphold the thesis that the privately owned Federal Reserve Banks should create and regulate money. No sound American has ever dared to argue in favor of lifting from the Constitution the article which says Congress has the right to coin and regulate the value of money.

Again emphasizing that **money is not banking and banking is not money;** again re-asserting that banking is the profession of those who, privileged to create and regulate money, manipulate its flow into and out of the stream of commerce and industry for their own profit, permit me to touch upon the subject of usury.

Since money is a receipt for wealth (and no one denies this whether they discuss actual wealth or potential wealth), it can be classified as currency and credit.

As for usury and its relation to money, the clergy of America are well schooled in its history. They know that in olden times money was regarded as something non-productive. Therefore, it was not permissible to lend at interest simply because it was non-productive.

When money became productive, especially under capitalism, it became moral to lend it at interest.

In other words, the productivity of money was the specific cause of its being regarded as interest bearing.

In other words, **it is usury to lend money at interest for something that is non-productive.** It is not usury to lend money for a project that is productive of more wealth.

With this thought in mind SOCIAL JUSTICE has challenged the lending of money at interest for the digging of shell holes, of white crosses, of war. Since the days of Napoleon no war has been fought that has been productive of wealth. Consequently, any bonds issued for the project of war are usurious insofar as they bear interest. They are not usurious if they simply raise

(Continued on Page 12)

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Bankers Fear Revolt in Congress

Honest Money Bill Threat to Credit Racket

By the Financial Editor Of SOCIAL JUSTICE

The bankers seem to be a little apprehensive about the recent activity of certain Congressmen for monetary reform.

In a recent speech in Washington, Raymond N. Ball, president of the New York State Bankers' association, warned that if the present banking system should fall again "as in every major economic crisis in the past, (he admits the banks failed in economic crises) we may see our chartered unit banking system entirely eliminated, and, in response to the demands of the general public, government ownership and operation substituted."

The private banking interests are not worried about President Roosevelt and Secretary of the Treasury Morgenthau (the gold dust twins) deserting them by permitting honest money legislation to be enacted at this session of Congress.

Seek to Forestall Reform Movement

They know that the Chief Executive protected their legalized racket in 1933, when the agitation for monetary reform reached a crescendo and the banking system broke down completely. A golden opportunity for honest money was "muffed" then. Although a promise was made to drive the money-changers from the temple, it remained an empty phrase. They are entrenched in the temple more securely than ever. They are confident that this same Chief Executive is prepared to oppose with the honeyed words, with the lash of patronage if necessary, any worthy proposal for the restoration of money powers to the Congress.

Mr. Ball cited the present movement in Congress, known as the Patman bill, to take over actual ownership of the stock and property of the 12 Federal Reserve Banks. He suggested forestalling this movement by creating four geographical bank research centers "to seek better banking relations with the public."

"From a broad social viewpoint," he added, "banking has failed to grasp its full prerogative in the community. **Government has made possible, under political dictation, credit that should have been a private function.**"

Mr. Ball, like most bankers, has a perverted notion of what credit and credit money really is. For his sake, we shall explain.

Would Put End to Fictitious Credit

In case the power to coin and regulate the value of money is restored to Congress, does this issuance of money by the government mean that credit money, so-called, will be abandoned?

It means that the banks no longer can create credit out of nothing and lend that fictitious money to a manufacturer or farmer or merchant. It means that real government money will have actually been issued to exchange the real wealth produced. It means that, if a merchant wishes to borrow money from a bank, he will borrow actual money already in the bank which was placed there by legitimate depositors. It means that the borrower will have given ample security for the loan. It means that he can spend his loan through the medium of checks. It means that when he issues a check to John Jones, the bank must make an actual transfer of real money from the check-writer to John Jones. **It means the end of the banks creating money** and lending it at interest. **The money, henceforth, which a bank will lend at interest will be genuine money.**

Bankers Out to Keep Their Credit Racket

Why are bankers, as a rule, opposed to the existence of genuine money and prefer the existence of so-called credit money?

If the bankers are compelled to lend genuine money, they are merely acting as agents for some real depositors and, thereby, are profiting only insofar as they are handling genuine money to the extent of the total amount of genuine money deposited with them. If bankers are privileged to lend credit money, it means that they are NOT lending, as a rule, depositors' genuine money, but are lending 10 or 15 or 20 times the amount of genuine deposits. They create this credit money or *fictitious money by a flourish of the* fountain pen. Thus, instead of lending only actually, for example, a million dollars of total deposits at 3 per cent with the return of $30,000 profit, the bankers are lending under their credit money racket, for example $20-million—$19-million of which is fiction. In this latter case their profit would be approximately $600,000!

Consequently, bankers are opposed to honest lending because of the difference of profits, which in the case above would amount to approximately $570,000. No wonder they are suddenly alarmed that this usurious situation may not continue.

Bankers' Credit Is Not Money

Credit money admits of two definitions—the bankers' definition, which is a perversion, and the real definition. Bankers' credit is a fictitious loan which never existed in real money. It is nothing more than a bookkeeping gesture. The raw materials are a promissory note, a bottle of ink and a pen. Really bankers' credit is not money.

Real credit is a genuine loan of real money whereby the borrower, through the use of a check may withdraw the real money in parts. Real credit is deferred payment for actual wealth received such as you obtain when you can buy from a grocery store, but defer paying the grocer until the following Saturday night.

In a banker's credit, no real wealth is surrendered. He merely extends to the borrower the privilege of writing checks, which are not classified as rubber because the banker creates money to honor checks up to a given sum. The banker will not give the borrower credit unless the borrower pledges real wealth as security. The credit which the banker gives the borrower is not wealth. When real credit is extended, the lender surrenders actual wealth, for example, a grocer, who depends upon the honesty of the borrower to repay his debt.

How can we determine the amount of genuine money necessary to meet the needs of society?

By obtaining, filing and keeping up to date the accurate indices of raw materials of finished goods and of the cost of living. These indices can be kept by a Congressional Board of Money, similar to a Supreme Court of Finance completely *independent of political affiliation*, whose business it will be not only to coin money, but also to regulate the volume according to these indices and not according to the confiscation plans of international bankers, who can force cancellation of the money created by the private manufacturers of money.

Advantages of an Honest Money System

What will happen after an honest money system is established? An honest money system will help us:

To restore sovereignty over money to its rightful possessors, namely, the people, through Congress.

To insure the lastingness of democracy.

To rid Congress of servile politicians.

To make possible the attainment of a just, living, annual wage for the worker and production at a profit for the farmer.

To prevent confiscation of honestly acquired property and savings of the people.

To eliminate the domination over the government of the manipulators of money who oftentimes were the cause of war.

To insure lasting peace among nations whose governments will be able to legislate laws independent of the international money changers.

To make possible the real freedom of the press and the teaching of the truth in all schools, freed once and for all from the domination of money creators.

To insure independence for industry which today is dominated by finance.

To insure equitable credit for all manufacturers who are willing to pay a just, living wage for the production of a good product.

To enable every manufacturer to pay a just, living annual wage free from the competition necessitated by the private control of money.

To eliminate the existence of non-productive bonds, such as Liberty Bonds, originated to borrow money for digging shell holes and killing soldiers.

To lessen the burden of taxation.

To re-establish banking on its original plane, namely, to make of it a function whereby the bankers will guard your money safely or will invest it to the best of their ability and divide the profits with you or will lend it to your fellow-citizens for their welfare and the welfare of the social body.

To permit Christian virtue to be practiced when want is destroyed in the midst of plenty.

To enable the youth of the land to marry: Young couples will look forward not into the shadows of depression, but into the sunshine of prosperity.

Government's Box Score

Money in Circulation per capita	$49.39
Debt per capita	$269.55
Government deficit as of 4-30-37	$2,154,685,287
Government debt as of 5-7-37	$35,041,311,277
Yearly interest toll on government debt	$3,000,000,000

Searchlight on the Money Changers

WASHINGTON, D. C. — Virgil Jordon, president of the National Industrial Conference Board, stated in a recent speech that the "Roosevelt administration has built a vast political organization designed to maintain it in permanent power. The most important thing to remember about this government juggernaut is that it is irreversible. No matter how many may desire it reversed, no political leader or party today would try to reverse it. This government machine has been operating during the last four years to undermine and destroy the private enterprise order. It is practically complete, but a few more gadgets are being forged and will be fitted into place as soon as all constitutional obstacles are removed.

"It is engineered out of error, forged out of falsehoods and driven by the power of mass delusion mobilized by demagoguery. Social forces have driven the American people toward a destination that can only mean for them impoverishment, suffering, conflict, disillusion and demoralization. During the next decade, the government may cripple the working capacity of the people, dissipate the private resources of the community, grind up the enterprise organization in all its vital parts and replace it with a form of state capitalism."

CHICAGO, ILL.—Gen. Charles G. Dawes recently predicted the temporary prosperity we now have to be followed by a collapse of the stock market in the fall of 1939. The 71-year-old banker and vice president in the Coolidge boom era believes all the major depressions have essentially the same history—those of 1873, 1893, and 1929—"and barring wars or inflation of the currency that a high degree of prosperity will maintain in this country unto 1939."

Being a banker, the general stated in his book, "How Long Prosperity," that business men were "sobered" by the last depression and there is little danger of another speculative credit collapse in the near future despite an over-supply of loanable funds.

We wonder, when the general strike occurs and the stock market tumbles in the very near future so that Europeans may make billions for armaments how the general will feel. In his book, he neglects to state that the real cause of depressions is the international bankers' power to contract credit and call in loans and confiscate real wealth. No wonder he is so certain the depressions have essentially the same history!

Effects of a Dishonest Money System

What will happen if the present money system is continued and if present policies endure?

Private individuals will coin money for their own personal gain.

Corporations organized for production, such as automobiles, steel and textiles, will be under the domination of the private money creators.

The government itself will be dominated by the money plutocrats.

The press, dependent upon advertising received from banker-dominated corporations and commercial houses, will continue to deceive the people.

The educational system will continue to ostracize the truths of economics from our schools.

An uninformed citizenry, forced to work either on the mortgaged-controlled farms or in the banker-controlled industries, will receive a less than living annual wage.

Through the international manipulation of gold and money engineered by a small group of money creators living in each country, wars will continue to ensue.

The only prosperity which will come as a breathing spell will be that prosperity enjoyed as we prepare for war and fight the war.

The issue of non-productive bonds will continue to sap the profits of production through the process of taxation for the benefit of the creators of debt.

Those who now condemn loudly the danger of inflation in order to save the present money system are those who are introducing a greater flood of inflation than was ever experienced by any nation in the world.

The citizens, weighed down by the unbearable costs of war and depression, will be inclined to blame a democratic form of government and unwittingly relinquish the liberties already won for the bare necessities of life, which the plutocrats will allow them only at the sacrifice of liberty.

Dictatorship, be it that of the Communist, of the Fascist, or of the extreme Socialist type, will necessarily ensue.

Christianity, which teaches the principles of social justice and upon which is founded the sovereignty of the government's right to coin and regulate the value of money, will be disavowed because Christianity will be blamed for putting war into the world instead of peace, poverty instead of prosperity and hatred instead of love.

The children of future generations shall be the scape-goats whom we are forcing to bear the sins of an unintelligent money system which, anticipating their birth, already has mortgaged their life's income.

Chaos in law, in government, and in civilization inevitably will result.

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Federal Reserve Copied a Gamble

John Law's Theories Scoffed at, but Fallacy Became Bank of France

MOST people are of the opinion that the Bank of France is a government institution. However, in plain fact, it is a private corporation run for profit, the same as the Bank of England or the Federal Reserve Bank of America. It uses the nation's credit for its own ends, the same as the other two institutions.

The bank of France was founded by John Law. Law was the son of a goldsmith, silversmith or pawnbroker, born in Edinburgh in 1671 and died in Venice in 1729. He is credited with manifesting an "acute intellect" at an early age, and a "talent for finance." He was credited with being one of the most notorious and most successful gamblers of Europe.

One of First to Tap Vast Sea of Credit

In 1705, John Law published a pamphlet describing his theory, but its absurdities prevented its adoption, and Law gambled over Europe for ten years until he returned to Paris with a fortune in 1715.

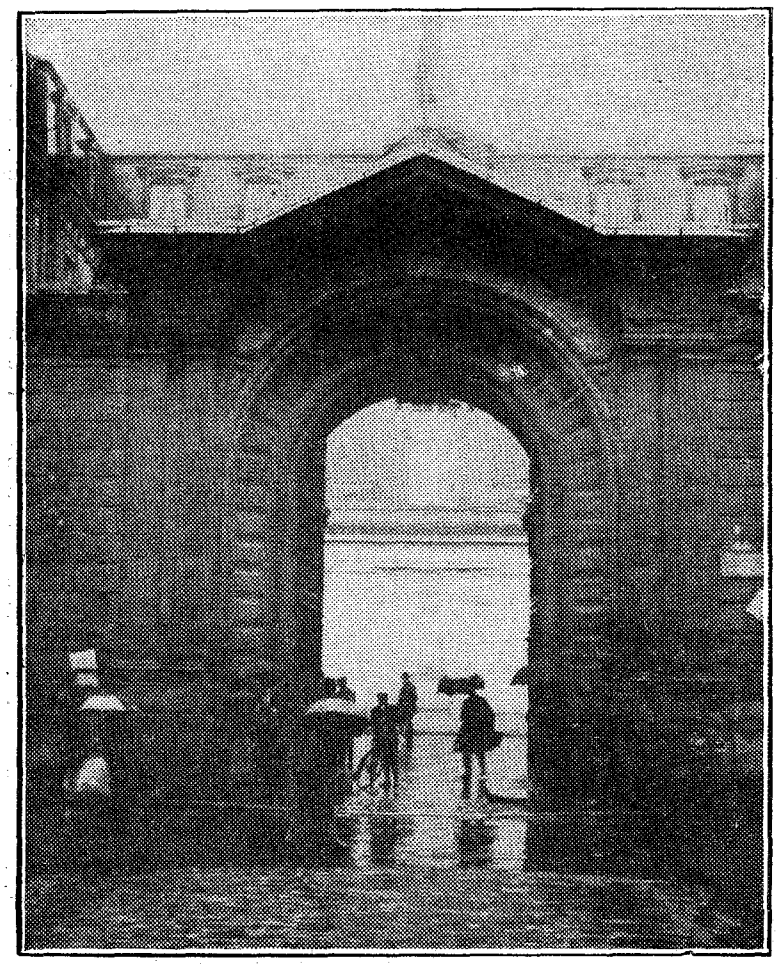
He presented to the regent, the Duke of Orleans, a memorial in which his faulty ideas were hidden among a lot of financial facts, and he was allowed to establish a bank.

Whether knowingly or not does not appear, but Law had tapped the great sea of "credit," then little known or used in France, but which had been worked and wrecked twice by the Bank of England during the previous twenty years.

The basis of his money system is revealed in Law's own words:

"Any goods that have the qualities necessary in money, may be made money equal to their value. Five ounces of gold is equal in value say to $100 and may be made money to that value; an acre of land is equal to $100 and may be made equal to that value, for it has all the qualities necessary in money."

The fallacies are evident. Land has not the qualities of money. It cannot be handed about from pocket to pocket. It has no recognized unchanging value established by government fiat, and its ever changing value disqualifies it as a security for value. The same faults appertain to other commodities, notes, bills of exchange, etc., that Law and our own Federal Reserve System used as a basis for issuing bank notes.



Gateway to the Bank of France

Bank of France, Paris, looking toward the main entrance. John Law, an internatio theories about money, founded the Bank of France, upon which the Federal Reservists in

Federal Reserve Takes Idea -- and Profits Too

For its greatest success, Law contended that the State should be the banker, and the bank should be the State. It would collect all the revenues; attract all private deposits; issue paper money or legal tender on the strength of the public property; own property in its own name; loan to industry and commerce, and the profits were to lessen or abolish taxes.

The famous "Aldrich Plan"—the basis for our Federal Reserve System—is very similar to the Law system. Only the Federal Reserve System **takes all the profit, instead of turning it over to the State.**

Law's Bank became the Royal Bank. It issued paper money guaranteed by the government; to it was ceded the soil of Louisiana forever, as well as about all the foreign commerce of France. The venture started like a gold mining boom—and ended as they often do. The shares rose from 500 francs, par value, to 10,000. The banking and commercial profits did warrant the expectation of a government without taxation. The issuance of paper began in 1716, and by 1720 amounted to more than three billion francs or about 833-million more than had been legally authorized. The collapse in 1870 has been called the most gigantic of financial history, but for some reason little has been published about it during the past few decades. Are the international bankers going to work at it again?

Farms and City Homes Foreclosed in America

According to the latest figures, our own United States government had foreclosed 26,000 farms in two years through the Federal Farm Credit Administration, while the Home Owner's Loan Corporation had foreclosed 61,000 homes in cities in one year.

In 1790, the French government worked the Law scheme again under the name of "assignats," a fiat paper based on the value of the church properties that had been confiscated. It was repetition of the previous error—using land for money,

or a redeemer that is worthl
Mirabeau, the French treasu
money than do some of the
men today.

In 1791 the issuance of
francs. In September 800
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in August, they dropped to
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Cycle of Depression Every 12 Years

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The medieval feudalisti
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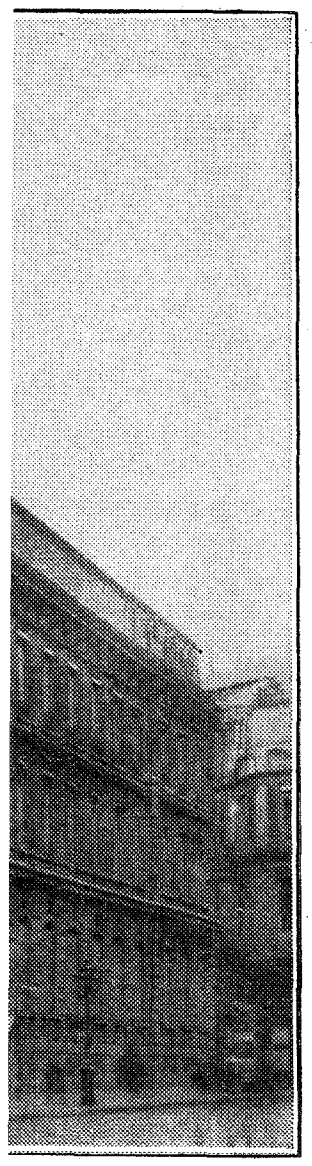
s Idea



mbler, with fallacious years based their plan.

en it is needed. Evidently, d not know any more about an Senators and Congress-

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n the right to issue money, nes, and the inevitable in- dic occurrence. In Amer- These shall continue until atural prerogative of issu- of banks to banking.

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nk of France, one twenty- venty-four twenty-fifths of -twentieth of the taxes. Is nown as the French Revo- ors were equally weak for eft to subdue her own rev- submit to conquest.

how the Bank of France, following the World war, y five, thereby making any British worth twenty cents they were the same value fore. This prevented the ers.

bankers have controlled erns so that histories only They never touch on the erty that causes uprisings.

Bank of England Built on Private Debt That Was Never to Be Paid

England has had no English kings since Caesar took a trip over the island, and when Caesar left, it was Roman empire. Since the Romans, England's rulers have come from many European states. It is quite a romantic story, but we are not interested in that part of it; suffice it to say that after they drove out the last Stuart king, James II, they had to go to Europe to get another ruler.

The invitation was sent to Mary Stuart, a daughter of James II, who had married a Hollander named William, and called the Stadtholder. The proposal was for Mary to be the queen and William to be her consort, but William would not agree to that. He was as direct a descendant from the Stuarts as was Mary, and he declared that if his family went to England, he would be king. The English were so afraid that James would return from France with an army that they submitted to the demand of William.

Private Bankers Lend King $6-Million

William appointed Mr. Montague to be Chancellor of the Exchequer and ordered him to raise the money for a threatening war. It appeared to be a hopeless task until a Scotsman named Peterson came forward with a scheme that resulted in the incorporation of "The Governor and Company of the Bank of England" in 1694.

The incorporators were to lend the king $6-million for which they were to receive 8 per cent interest, plus $20,000 more per annum as a fee for the management of the loan. So great had been the accumulation of money during the preceding century without wars that the six million was quickly subscribed. Furthermore, the bank was authorized to issue $6-million worth of its own promissory notes that were to circulate as fiat money. These fiat notes had no form or even a promise behind them, but they were the basis of credit loans for several times six million for which the bank was allowed to charge as much interest as it desired, or thought it could get.

Nothing was said about ever repaying the six million; **it never has been repaid,** and parliament thought it had driven a sharp bargain with men who did not realize how they were risking their money. But it was parliament that was fooled. It did not see the power it had bestowed, or that it had **sold the control of the government to a gang of money-changers.**

Georgeous Trappings Fiction of Royalty

Nowadays when parliament is convened, the king dons some gorgeous robes, and, as if in triumph, rides to the House of Parliament in a gaudy old fashioned coach through a double line of soldiers that hold in order a pitiable mob of human beings who cannot understand why or for what they live and starve and die, but they gaze in awe on the glorious sight of power, and little do they dream what it has cost and what it always will cost them.

And in parliament the king reads a little speech that has been written for him, and approved by the Bank of England, among others, in which he tells them how fine everything is that appertains to "My empire, my army, my navy, and my people." Then the king goes back home to his hobbies; parliament forgets what he said, and proceeds to do what the bank has outlined for them. When that is done parliament is at liberty to bamboozle the people as it pleases **as long as what it does will not interfere with the work or the policy of the international bankers.** That is the most sacred thing in the British empire.

Bank Continued On Receiving Debt

Reduced to one word, the Bank of England is simply "DEBT." It started on a debt, its work is trading in debts, and it has always existed on debts. As in the case of all banks, its life depends upon its ability to collect the debts that are owed to it faster than it has to pay the debts that it owes to others. This is what is called trading in credits or banker acceptances.

There is no security for any of the obligations in which it trades other than the speculative ability of the people to produce fast enough to keep ahead of the collection of taxes by the government and the collection of interest by the bank.

All in Grip of Fiction Money Debt

By Prof. Frederick Soddy, F. R. S.

The most sinister and anti-social feature about bank-deposit money is that it has no existence. The banks owe the public for a total amount of money which does not exist. In buying and selling, implemented by check transactions, there is a mere change in the party to whom the money is owed by the banks. As the one depositor's account is debited, the other is credited and the banks can go on owing for it all the time.

The whole profit of the issuance of money has provided the capital of the great banking business as it exists today. **Starting with nothing whatever of their own, they have got the whole world into their debt irredeemably, by a trick.**

This money comes into existence every time the banks "lend" and disappears again every time the debt is repaid them. So that if industry tries to repay, the money of the nation disappears. **This is what makes prosperity so "dangerous" as it destroys money just when it is most needed and precipitates a slump!**

There is nothing left now for us but to get ever deeper and deeper into debt to the banking system in order to provide the increasing amounts of money the nation requires for its expansion and growth. **An honest money system is the only alternative.**

The war-fever in Europe is economic, not national, not even racial. I would say that banking, as at present understood, would not survive the abolition of poverty and the stabilization of the price-level; that this new billion and a half dollar loan of England for war preparation is the gambler's last throw to upset the price-level, the relative stability of which, since we went off the gold standard has already undermined the chief source of the bankers' power.

If we are to avoid war, we must spend not merely billions on armaments, but many times more this figure on useful and constructive work. But you cannot do this without disaster so long as the issuance of money is in the hands of and can only come about through the functions of the one class in the community professionally interested in the maintenance of poverty and the due supply of hard-working "credit-worthy" borrowers.

But break down this gang, let loose the mounting tides of wealth to raise the whole standard of living, so that the health, the morale and the fighting power of the nation is raised; then, not only will you produce a nation better able to defend itself from any external aggressor, but by clearing the channels of distribution from obstruction and promoting the free flow of wealth within the country and between the nations, you will have struck at the tap-root of war itself.

Bank of England and the Royal Exchange, London. Photo by Burton Holmes. All photos on this page by Ewing Galloway.

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Roosevelt and Gov. Murphy Forecast Communism Here

(Continued from Page 1)

vides the necessities of life and **against that system which is either opposed to them or indifferent towards them.**

That Governor Murphy's prediction is true, namely, that **"Communism is here;** and that President Roosevelt's hypothesis is likewise true, namely, that **"if it breaks, it will be in the Detroit area,"** are now matters of moral certainty.

Pontiac, Michigan, is in the Detroit motor area—29 miles distant from the Detroit City Hall. The C. I. O. is strongly entrenched in this city of some 60,000 persons. Its chief industries are the Yellow Cab, the Pontiac Motor Corporation and the Fisher Body.

During the past ten years Pontiac has experienced a shortage of houses when the factories were working at capacity. Banks refused to lend money to builders ever since 1934. Consequently, the housing shortage is most acute now that the motor factories are running at full capacity.

House Shortage Sends Rents Up

As a result, the owners of small houses have been raising rents until abnormal prices are being charged.

In another article on this page the full story of the threatened confiscation of private property in the Pontiac area is told in detail.

The point is that under the New Deal coaching, industry has succeeded in re-hiring a great number of hitherto idle workmen. Industrial centers in many instances are now overcrowded. But the New Deal, either intentionally or unintentionally, failed to supply housing for hundreds of thousands of working men and their families.

As a consequence, the rapidly growing C. I. O. has engineered a renters' strike with a threat of confiscation of property through the organized non-payment of rents.

In Pontiac, renters outnumber property owners 13 to 1. In the entire Detroit area, renters surpass property owners by 10 to 1.

The popular demand, under the leadership of the C. I. O., to reduce rents so that the owning of private property will no longer be an asset is certain to take hold.

If confiscation of private property is all that is required to complete the trend towards Communism, that day has arrived in the Detroit area.

the last 11 years has paralyzed the building industry, which normally should parallel a nation's housing needs.

The cruel depression drove from our industrial cities millions of working men who returned to their former homes and thus avoided all rent by living on farms, with parents or other relatives. Detroit alone lost 400,000 of its population and rents dropped to such nominal figures as to induce landlords to welcome any reputable family into their houses for the protection of their property from the vandalism which was current.

Landlords Now Seek to Recover

In Pontiac, Michigan, hundreds of homes were occupied rent free or at figures of $10 a month. Then came the so-called prosperity with the strikes ensuing. Technical wage victories were won by the workers. The 5 cents an hour here or the 3 cents an hour there was widely heralded in the automotive industry as victories of the C. I. O.

Eleven hundred dwelling houses in Pontiac alone, unoccupied during the depression or verbally leased for nominal sums, now were rentable as the production figures of the automotive industry rose to new record heights. The laborers' homes became rented at $25 a month. The rent was raised to $35, $45, $55, $65 and as high as $75 a month. The writer visited one of these homes that has had sixteen tenants in the last four months!

In the meantime the family dwelling in the city of Pontiac is virtually not for rent except at new ridiculously high levels. Careful inquiry shows the purpose of this to be the sale of the house on the old-fashioned land contract which will, of course, be defaulted at the next coming depression.

Labor Attacks Wrong Party

Labor is quickly conscious of its empty victory in the rise of merely nominal wages, but **labor is wrong and illy advised in directing its efforts against property owners.** These property owners went from 1930 to 1935, inclusive, with no income sufficient to even carry their property.

Take the $4,000 home, which in Pontiac has historically been an extremely low priced home; assume that the rent should be $40 a month. That home in the depression lost its owner virtually $2,000; the owner is naturally attempting to make up that loss. Labor must expect that very action because it springs from the root foundations of human nature.

Likewise elemental justice dictates that that property owner is entitled to a fair return on his property.

The cure is not to raise the assessed valuation of the property to a point where the rent will represent one per cent a month. Such a procedure strikes at the legal foundation of all appraisal and assessment.

Declare Sheriff Can't Evict 20,000

Government cannot pick out the greedy property owners and distinguish in appraisal or assessment his property from that of the man next door who owns his home.

Nor is a rent strike justifiable. The advocates of the proposed plan openly state that **"the sheriff cannot evict 20,000 families!** Such a statement is an open violation of every tradition of just, constitutional government.

What then is the cure? The columns of **Social Justice** will always be on the side of labor. One of the principles — the sixteenth — dictates that even law and government should be on the side of labor — on the side of the poor — "for the rich have ample means to protect themselves."

Yet the institution of private property should be as highly regarded by labor as by capital, for our true aim is to make labor prosperous enough to own and enjoy property. Therefore, we get back to labor's wage, which should be an annual living wage, sufficient to cover the expenses of a family living in frugal comfort.

Rent is one of these expenses, food is a second, fuel is a third, transportation is a fourth, recreation is a fifth and education is a sixth. Unless labor's wage covers these abundantly, it is not a living wage.

To reiterate, what is always taught over the air and in these columns, it is not the rate per hour, per piece or per day that counts. It is, rather, the security of the living annual wage, the regulated purchasing power of the dollar.

There are other lessons the federal government should extend to industrial labor; a program of home building, financed interest free or a nominal one per cent so that the frightful shortage of adequate housing will not throw labor at the mercy of the rent gougers of this country.

C. I. O. Calls on Renters at Pontiac to 'Strike'

(Continued from Page 1)

that "the United Automobile Workers is organized to protect its membership."

Then came the most peculiar advertisement ever published in America. We quote: **"If a general rent reduction is not agreed upon by the real estate owners, effective within 15 days of this date, the United Automobile Workers, Pontiac Local No. 159 will expend the entire efforts of its vast membership and resoureres to right and equalize the high rent situation."**

This language cannot be mistaken.

The United Automobile Workers then suggest, as a procedure, the raising of the assessed valuation of property so that the rent income represents one per cent per month of the assessed valuation. As a second suggested procedure the U. A. W. threatens the general discontinuance of all rent payments as of June 1, 1937. In that suggestion lies practical confiscation.

An offer of arbitration and a demand of immediate action concludes the advertisement, signed by Rent Committee United Automobile Workers of America, Local 159.

Owner Took Loss In Depression

Every reader of SOCIAL JUSTICE should analyze this new move. Justice demands justice for all, with the old principle of Leo XIII constantly reiterated that "capital cannot do without labor and labor cannot do without capital."

Time and again over the radio have the rights of labor and human rights generally been proclaimed to be paramount to the rights of property. At no time was the institution of private property ever assailed directly or indirectly.

It is true that landlords in Pontiac, in Detroit and in other industrial cities throughout the country, have made inordinate increases of rent as their welcome to the so-called prosperity of 1936 and 1937. It is likewise true that the cost of living is advancing by such leaps and bounds as to make ridiculous and insignificant the nominal wages that labor is receiving.

On the other hand, the building industry of America collapsed, not in 1929 but in 1926. The bankers' refusal to provide the building loan for

EYES and EARS

(Continued from Page 4)

would radically change our form of gocernment.

Few people, who have not diligently studied the theory of government, realize that without an independent judiciary a written Constitution means nothing.

The courts, under the republican form of government planned by the founding fathers, are intended to defend the people against their president and against their Congress.

The founders of the republic had had sufficient experience with kings and parliaments to know that, left untrammeled, they become tyrannous, inevitably.

* * *

If the present Supreme Court is in any sense worthy of censure, it is because former presidents and former Senates did not perform their duties intelligently and patriotically. Nevertheless, those presidents and Senates were chosen by the sovereign people.

If the people refuse to hold to their free form of government — which is impossible without an independent Supreme Court — and take the mistakes they have made with the out-balancing benefits they have enjoyed — let them look the facts in the face and deliberately decide to have some other form of government.

It would be wise for them, however, if they want a dictator, to choose an honest dictator, one who represents himself for what he is.

Let the people applaud him as he tears up the Constitution—as he abolishes the Supreme Court—as he adjourns Congress and tells them not to come back until he calls upon them to "ratify" acts of the government.

The people of the United States might derive benefits from the autocracy of an honest, straight-forward dictator. Those benefits might be considered by forgotten men as sufficiently great to balance the loss of freedom, the occasional brutality to minorities, the necessary periodical terrorism and all the other unpleasant things that go with the best of dictatorships.

The acceptance, however, of a dictator who extends his power over a people by indirection and deceit, who praises the Constitution while he destroys it, who prates about democracy while he leads the sheep into autocracy—the acceptance of that kind of a dictator bodes ill for any people.

He must have a supreme contempt for the people to deceive them so openly. Should his deception blossom into the success of absolute power, the dictator will rule in the spirit of his contempt. The people will suffer — the bureaucratic satelites of dictatorship will replace the hated "economic royalisit" AND OUT-DO THEM IN "RUGGED INDIVIDUALISM."

There is sometning far worse than a dictator. That is a wily, insincere, hypocritical dictator.

Let the people heed the warning of Jefferson that "eternal vigilance is the price of liberty" and let them fear what Alexander Hamilton feared, men who seek power by catering to the mob—"beginning demagogues and ending tyrants."

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Labor to Be Pawn in Court Battle

Plot to Frame Justices With Unsound Bill

By the Labor Editor

A plan to use labor as a pawn to stir up resentment against the United States Supreme Court, is the latest reported strategy afoot in Washington New Deal circles.

Administration leaders already know that they cannot claim the support of 20-million voters. The Court packers must have the support of labor.

Their latest reported tactic — for which you will look in vain through your daily papers—calls for the **deliberate creation of an 'unconstitutional" labor bill.** The bill will provide for higher wages, shorter hours, better conditions and other objectives so laudable in themselves as to win wide approval in labor circles.

"Tricky" Bill

The unconstitutionality of its terms, however, is to be so adroitly arranged that the Court will have no choice but to throw it out, thereby turning the rank and file of labor to the support of the Court-packers' program.

In all of this, however, you may be sure that the plotters will be very careful to avoid all mention of the lengthy list of Supreme Court decisions favorable to labor.

The United States Supreme Court has upheld as constitutional every one of the following protections to labor:

All Acts affecting hours and working conditions for women.

All Acts involving employers' liability laws.

All Acts involving workingmen's compensation laws.

The Illinois child labor law.

The Oregon 10-hour day in factories law.

The Utah eight-hour day in mines law.

The Kansas eight-hour day in public works law.

The Arkansas full train crew law.

The Indiana railroad safety appliance law.

The New York semi-monthly wage payment in cash law.

The Virginia Act forbidding payment of wages in merchandise.

The Tennessee Act forbidding workers from being compelled to buy at company stores.

The California and Washington Acts protecting citizens from alien labor competition from Japan and China.

The New York rent control and housing laws.

The mechanics' lien laws. (Giving the worker a lien on the thing his labor creates so that he will be sure of payment.)

Acts giving labor claims preferance in bankruptcy or receivership proceedings.

The Second Federal Employers' Liability Act.

The LaFollette Seaman's Act.

The Railroad Safety Appliance Act.

The Packers and Stockyards Act.

Does this impressive record of decisions protecting the rights of labor look as though the Supreme Court is "agin" the working man? Certainly not. But the low-hitting New Deal "propaganda machine" never mentions these far reaching decisions that affect the whole 48 states and all labor.

When and if the Supreme Court is abolished by a needless packing method to give dictatorial powers to one man, labor will have lost its strongest advocate—its truest friend.

Coronation Aftermath

J. P. Morgan gave the signal

J. L. Lewis rang the bell

Roosevelt blew the whistle

And the country went to hell.

PITTSBURGH, PA. — The widely heralded coronation came off as scheduled in London on May 12. J. P. Morgan, the fiscal agent of the United States Treasury and world famous international banker, was a special guest of the new king.

On May 13, the signal was given by Morgan for the first big strike of the independent steel companies following an epidemic of strikes all over the country.

Why were they held up until the day after the coronation? Were the bankers afraid their attempt to unionize labor "so they may more easily be controlled" might be put off the first pages of most of the newspapers throughout the country? They ought to know—they own most of them!

Well, on May 13—too bad it didn't come on Friday—John L. Lewis rang the bell. Like the scene in "Green Pastures" at the sound of the bell, "all God's chil'rn came-a-running!" They follow their leaders, and like the Judas goat who leads his followers to the slaughter, he always escapes to lead another batch to their end.

At the appointed time, Mr. Roosevelt will blow the whistle—the engineer with a 130-million passengers on the train going they know not whither! Or does he?

Annual Wage Pays Dividends in Content

DENNISON, OHIO. — This week's candidate for a laurel wreath is the Patterson Manufacturing Company of Dennison, manufacturers of batteries for automobiles.

The plan was set up by L. M. Patterson, general manager, who says:

"An annual income of the men will be averaged up on a 52-week basis **and this average will be paid them each week whether or not they work.**

"It is hoped that this plan will provide protection for the men and their families during seasonal layoffs which occur frequently in the battery producing business.

"Men have made high wages during the time they worked, but slumps in business drain their resources."

Patterson continued:

"We feel that this plan involves no more than any seasonal industry owes to its men. It was not inaugurated with any altruistic notions, but is merely a hardboiled business policy that improves our operation through relieving our men of financial worries and assuring the company of a permanent satisfied working force."

One by one the more progressive employers are finding that if they give their men a just, living, annual wage, there will be no strikes, no labor contentions. The laborer is still worthy of his hire. He is not a commodity.

It is encouraging to SOCIAL JUSTICE and its readers to find more and more employers enacting the second principle:

Labor shall be paid a just, living annual wage.

Labor Highlights

DETROIT, MICH.—As a result of the labor pressure against his proposed state labor legislation, Governor Frank Murphy has been forced to modify it considerably, to the extent that it will probably not have any teeth in it when it is passed. Homer Martin, U. A. W. president, termed the bill "a vicious piece of legislation." The governor explained that it was only "the framework for discussion." Both the A. F. of L. and C. I. O. backed Murphy in his race for governor and their vigorous opposition to the bill has had a considerable effect. Labor wants the bill made into a state Wagner Labor Act. Several provisions that recognize the rights of employers must be cut out if labor's demands are met.

STATE FAIR COLISEUM, Detroit, Mich.—The Packard Motor Car Co. agreement was ratified by the United Automobile Workers giving them a 3-cent-an-hour blanket wage increase. Following Richard Frankensteen's address which apologized for the 3 cent raise, Morris Field, another U. A. W. organizer stated: "This agreement paves the way for us to go in next year and ask for a closed shop. We can also refuse to work with any man in any plant who does not belong to the union."

HOLLYWOOD, CALIF. — The walkout of film studio technicians, which began the first of May, continues. The 6,000 members of the Federated Motion Picture Crafts union are alternating on picket duty. . . . Thirty men wrecked the offices of the International Alliance of Theatrical and Stage Employes and attacked a group of men who sought employment. Women have been removed from the picket lines. . . . Movie actors and actresses, belonging to the Motion Picture Actor's Guild, worked under make-shift circumstances. Some have bodyguards to get them through the picket lines. The Actors Guild voted against joining the strike. Several compromise plans are in the offing, but to date they have been rejected by the strike leader, Charles Lessing. . . . Union officials planned to picket motion picture theatres throughout the country, especially in the larger cities, until all their demands are met. These include increased wages and improved working conditions but the bone of contention to date is recognition of the Guild Shop.

The Tail Seems to Be Wagging the Dog.
—Russell in the Los Angeles Times.

Woll Active on Both Sides

ATLANTIC CITY, N. J.—During the recent 23rd convention of the International Ladies' Garment Workers, Matthew Woll, now vice president of the American Federation of Labor, pleaded for solidarity in labor. He is frankly fearful of "government control." His words have a particularly hollow appeal in view of his early alliance with the leaders of wealth against monetary reform.

In the early years of the depression, when entrenched wealth attempted to "gang up" on Father Coughlin, Woll took his place beside Alfred P. Sloan, Jr., then president of the gigantic General Motors Corporation and now chairman of the board, the Warburgs, and the rest of the short-sighted industrialists and greedy bankers in a nation-wide publicity crusade against so-called "inflation." In reality it was monetary reform.

At that time Woll handled the investment port-folio of the American Federation of Labor and was made a useful tool of the wealth concentrators in opposing monetary reform.

Yet today, the same Matthew Woll seems worried. He pleads for harmony in the labor movement. He shouts his warnings that controversy means nothing but increased government regulation.

We quote from Woll's speech on harmony:

"Shall we attain it by dividing our forces? Shall we attain it when we array brother against brother?"

"No. Only in that fashion shall we find ourselves enslaved to Fascism, to Nazism, to a form of dictatorship, hostile not only to labor, but to every minority group — groups which can only survive when we have true democracy, politically as well as industrially."

When the true friends of labor asked for lasting monetary reform —contained in the plea for the revaluation of the gold ounce, the request for the issuance of an adequate amount of money for the nation's needs, and other just corrections—Woll was lined up with the enemies of SOCIAL JUSTICE.

On one occasion, while Woll was holding one meeting in a New York City theater, Father Coughlin was speaking at a competitive meeting answering every charge of the reactionary Woll against true monetary reform.

Matthew Woll is like the rest of the peanut-brained labor leadership who do not see that labor will ever trod the treadmill as long as it has no control over the buying power of the dollar. What good is a 3-cent-an-hour wage increase, or even a 5 or 10 cent increase, when bankers can so manipulate the purchasing power of the dollar that the wage increases are invalidated over-night?

Monetary reform is indispensible to labor's success. As long as labor is divided on this issue, with its leaders backing the crusade of vested wealth, convention pleas for harmony and solidarity are empty.

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Fr. Coughlin's Letter to Clergy ... *Continued*

(Continued from Page 6)

money without interest for defense. But this does not explain modern usury which was mentioned by Leo XIII as a new kind of usury.

Generically modern usury is a breech of the commandment which says **"Thou shalt not steal."** Specifically, modern usury exists (a) when legitimate loan is made for productive purposes at a rate of interest that is unreasonably high ;(b) when a legitimate loan is made even at a low rate of interest for a project that is non-productive; (c) when a fictitious loan is made even for a productive purpose at any rate of interest.

The first two species of usury are self-evident and require no explanation. The third species requires some enlightenment.

If my printer manufactures for me a spurious $10 bill; if, in turn, I lend it to you at your request, are you obligated to pay me back a genuine $10 bill when you discover how I had tricked you?

I did not lend you real money. I was a simple counterfeiter.

Here, then, a principle is established; a borrower is not obligated to pay back to a lender a fictitious counterfeit loan because the $10 bill which he borrowed was not a receipt for wealth but was a manufactured piece of paper which represented no wealth.

Let us come to the privately owned Federal Reserve Banks and their affiliates. These banks have in their vaults millions of dollars of genuine money. Insofar as they loan these dollars for productive purposes at a fair rate of interest they are acting within the moral law and in nowise are they guilty of usury.

But the Federal Reserve Banks and their affiliates have loaned billions and billions of so-called dollars which they did not have; billions and billions of dollars which in nowise were receipts for wealth; billions and billions of dollars which were spurious.

As an example: On March 4, 1933, the Federal Reserve Banks and their affiliates did not have enough money to meet the demands of their depositors. Thereupon they were forced to close their doors. But immediately they loaned $18-billion to the federal government. The government exchanged to the bankers $18-billion worth of bonds which, when they mature, must be paid with interest and in earned money by the taxpayers. Where did they obtain the $18-billion? They simply created the money through the grace of their fountain pen as every banker and every intelligent citizen now knows.

Here, then, is the new kind of usury. Under our present financial system we permit a group of individuals who own the Federal Reserve Banks and their affiliates lock, stock and barrel, to create fictitious money, then to lend it into commerce, industry and agriculture and then to demand that the citizens of the United States, who work hard for their money, return honest dollars to them.

Is there one clergyman in the United States who can deny this?

Is there one clergyman in the United States who, conscientiously, can wink at this?

Leo XIII and Pius XI were not talking through their triple tiaras. **They knew what they were stating when they lamented the existence of this new kind of usury.** The latter, especially, knew what he was inferring when he listed his indictments against modern capitalism which included the following statement:

> "In the first place, then, it is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure.
>
> "This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the life-blood to the entire economic body, and grasping, as it were, in their hands the very soul of production, **so that no one dare breathe against their will."**

Moreover, he said that this power becomes **"irresistible"** referring to the concentration of wealth, because **"they who hold and control money and govern credit and determine its allotment"** have their hands at the throat of civilization.

Certainly His Holiness spoke of money. Certainly he included not only its consideration but its rectification in the program of social justice. Certainly he is the Alter Christus who is leading us in our fight to drive the money changers from the temple.

IV

I come now to a more pertinent phase of usury. It is one which touches practically every bishop and pastor in the United States of America. All of us have borrowed money for the up-building of dioceses and parishes. What kind of money did we borrow? In how many cases did we borrow money from bankers who had no real money to lend but who were satisfied to pawn off upon us spurious money, fictitious money and money which did not represent real receipts of wealth which they owned or even controlled? Hundreds of millions of dollars of this kind of money was borrowed by ecclesiastics in America. Being either ignorant of the nature of money or forgetful of the implications of usury, we were honest enough to determine to pay back to the last farthing every dollar which was borrowed but careless enough not to ask ourselves the question: "Are we trafficking with usury?"

Then Sunday after Sunday we approached our people to refund the debt. Our good people, not expert in banking and not understanding the nature of money, responded to our call. These good people earned their money by the sweat of their brow. Moreover, they earned it through the medium of exploited wages. They did not know that the bankers oftentimes had loaned us fictitious money which they were legalized by an act of Congress to counterfeit; spurious money which did not represent a receipt for real wealth; privately regulated money which brought about the fluctuations of the purchasing power of the dollar so that what was dear today would be cheap tomorrow or what was cheap today would be dear tomorrow.

In other words, how often have our pulpits become collecting agencies for those modern usurers insofar as some of us, at least, have unconsciously been party to borrowing fictitious money and contracting that our people pay back good money?

Once more I repeat, that no program of social justice is worth considering if it merely contents itself with crying for the unionism of labor and the sharing of profits on the part of industry. Only that program of social justice is in strict harmony with the teachings of the Catholic Church on the subject of usury which takes into consideration the doctrines of "Quadragesimo Anno" on this subject of money and which, departing from mere words, reduces itself into Catholic Christian action.

L'Envoi

In the above article I have been dogmatic, as I confess. It is hoped that every minister of religion will read what I have written and will take time to comment upon it.

No letter mailed to me will be reprinted under the name of the sender nor will his identity be disclosed. It is to be hoped that through mutual understanding we can arrive at a harmonious conclusion.

Charles E. Coughlin

Church Has Principles, No Program, Bishop Says

The Catholic church is not indifferent to economic and social systems, but it has no "program," the Most Rev. Karl J. Alter, bishop of Toledo, told a diocesan convention of Catholic men and women in that city recently.

Asserting that the church proposes only "general courses of action," the Toledo bishop is quoted by the newspapers of his own city as declaring:

"Much confusion has been caused in the mind of the public by extravagant pronouncements as to what the church teaches and approves; and equally as much confusion has been caused by a denial and rejection of her right to teach or to direct the conscience of mankind in relation to the practical business of life.

"Strictly speaking, the church has nothing to do with political, economic or social facts, theories or systems. But the church has much to do with human conduct in its relation to these fields of human activity. The church has very much to do with rights and duties in the government of the consciences of men. She could not abdicate this responsibility without being false to her mission as entrusted to her by the Divine Master.

"The church is not interested in the gold standard nor the silver standard, nor a managed currency. She is not interested in a central bank nor a Federal Reserve nor a particular kind of monetary system. She is not interested in any specific social-economic program; in credit unions and consumers' co-operatives nor in an NRA nor an AAA. These lie outside the immediate field of her jurisdiction and they do not constitute the direct subject matter of her teaching. But the church is not indifferent to economic and social systems. It is true she has no specific program, but she judges each program in the light of principles of divine truth; in the light of man's spiritual nature, and in the light of the social virtues of justice and charity. She even proposes certain general courses of action.

"On the one hand," Bishop Alter said, **"industry and business must be willing to concede certain just demands of labor, and labor on the other hand must be willing to concede certain just demands of management of industry.** In order to be clear and specific we state these duties as follows:

Mutual Concessions

"Industry and business should, without further bickering, grant:

"(1) The right that labor should organize freely in its own chosen way;

"(2) The right to bargain collectively in respect to wages, hours and working conditions;

"3) The right to be represented in all negotiations by representatives freely chosen within or without the ranks of the employes;

"(4) The right to a living wage as a first charge upon industry; this to be understood in the sense that a living wage has priority of claim to that of profits.

"Labor on its side must be ready and willing to return for the above consideration to stand loyally by the agreements freely negotiated and accepted by its own chosen representatives. Labor cannot afford to take an attitude of irresponsibility towards its own leaders and it cannot justly violate the contracts freely consummated by them with management or industry.

"Secondly, labor must place a curb and restraint upon the use, or rather the abuse, of the 'strike.' The strike is indeed a legitimate weapon in the hands of labor in order to enforce its demands against the unreasonable opposition of the employer. It is however a species of warfare even though it be industrial warfare. It must therefore submit to the ethics of what is called the just war and it can be justified in consequence only under certain conditions. What are these conditions?

When Strikes Are Justified

"(1) The strike is justified only in the event that peaceful negotiations have been honestly attempted or undertaken.

"(2) The demands of labor must be certainly just and not merely doubtful or uncertain rights.

"(3) Only in the event that peaceful efforts have failed to secure just demands may a strike be legitimately called. Even then there is a further condition, namely that the strike has reasonable hopes of succeeding and that it can be prudently foreseen that no greater harm or loss will be inflicted upon the workmen by reason of the strike than that which they already suffer.

"(4) No strike can be justly directed against the essential welfare of the whole community. The common good always takes precedence over the particular good whether it be that of an individual or a class.

"(5) In the event that a strike is called, peaceful picketing with the purpose of persuasion is justifiable. Mass picketing however inevitably leads to intimidation. This is particularly true where industry makes no attempt to import strike breakers but merely offers opportunity to its own regular employes to go to work. The right to work is just as sacred as the right to quit work. Freedom and justice cannot exist unless both rights be protected.

"(6) Violence, even in the course of a legitimate strike, directed either against the property or against the person of any individual group, is utterly wrong and wholly indefensible. In defense of the common good it is the function of government to prevent violence by the exercise of its sovereign power."

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The People Speak . . . .

Government Form at Stake

To the Editor:

Regardless of what Mr. Roosevelt **intends to do,** the necessary effect of what he is trying to do is to break down constitutional government. The dictatorial powers that Mr. Roosevelt asks for are not even pretended to be limited to Mr. Roosevelt alone, but will inhere in any man who shall hereafter be president.

This "United States" is a league of states, most of whom would not belong had not their rights, when they happened to be in the minority, been guaranteed by a Constitution. When they were in the majority they would need neither protection nor Constitution.

How strong the spirit of intolerance may rise, even in this free and enlightened land, was shown by our experiment with prohibition, and how extreme it may become has been exhibited by the Ku Klux Klan. Clearly, if the courts were no longer independent—if they said not what they thought about the Constitution, but what they thought the president and Congress wanted them to say, then we would have a Constitution only in theory.

—**E. W. Bradford.**

Providence, R. I.

Strike Forced On the Canneries

To the Editor:

As I live near Stockton, Calif., I have inquired into the recent strike in that city. I find it was not for higher wages or shorter hours, but to determine which union should control the workers as their bargaining agency. This recent riot was caused by the fact that a strike was called **without knowledge or permission of the actual workers** in the canneries, so the group that called the strike was not considered a proper group to represent the workers.

The Communist candidate for president in 1936, Earl Browder, said that his party program of "progressive measures" under capitalism will tax the rich, adding "if the rich do not like taxation, the only alternative is confiscation and revolution."

Browder went on to say: "We industrial unionists are going to take over the industries some day for three very good reasons:

1. Because we need them. 2. Because we want them. 3. Because we have the power to get them.

—**J. H. Ainsworth.**

Oakdale, Calif.

Regrets to See Contest Close

To the Editor:

I see there are only a few more weeks left for the contest. I will be sorry when it has come to a close for I have enjoyed it very much and it has been very instructive. It has made me look up some things which otherwise I probably would never have thought of.

—**Margaret Esterly.**

Bronx, N. Y.

This Changing World

To the Editor:

If, several years ago, you had a $20 gold piece and a quart of whisky, you could be prosecuted — for having the liquor! Today, if you had the same $20 gold piece and a quart of whisky, you would be prosecuted — **for having the gold piece!**

But, wait till next time!

—**A. F.**

Beachwood, N. J.

Principles Applied To Living Conditions

To the Editor:

We wonder how many of those who criticize and condemn Father Coughlin know just how the poor people have to struggle for the bare necessities of life. Have they ever witnessed a scene in the neighborhood grocery where one gets a fairly good idea of what people have to do? I have witnessed them many times where some poor housewife comes in and prices oven the cheapest of foodstuffs and then walks out with the remark: "I'll be back later," not having the wherewithal to purchase the food her family needs.

Or where some old couple, who having lived and worked together so as to be able to live in their old age, are now losing their home because they cannot pay their taxes. We know many families who, a few years ago, had a nice place to live, even though paying rent, with nice furniture of their own, and now a family consisting of father, mother and three or four children living in one room, and that means that they must eat, sleep and live all in one room. We have many eight and nine room houses here with a family in each room!

One can imagine those living conditions and what the consequence of this is we all know, for if we go in to any city or town we can see it. Children playing in and roaming the streets all day for there is no place for all in just one room all day long.

Anyone who does know and who really has the interest of the common and poor class of people at heart, cannot do otherwise than uphold Father Coughlin and his 16 principles for social justice. If all would study and then apply the 16 principles, conditions of living would be adjusted.

—**H. F. E.**

Wichita, Kansas.

They Don't Know About Social Justice

To the Editor:

As an interested reader of SOCIAL JUSTICE I have often wondered why the circulation is not even greater than it is at present.

Is it because people do not want to learn more or because they do not understand the principles of social justice?

If the head of every church—priest, minister, or rabbi—would say a few words to his congregation about social justice, they would want to learn more about it.

Everyone should write to his clergymen and ask why they remain silent on this vital subject.

—**R. Y.**

Somerville, Mass.

76 Million Years Of Work Lost

To the Editor:

We in America have boasted a great deal about our efficiency. However, a nation that within a brief period of eight years, does unnecessarily waste 76-million years of man power, can hardly be classed as efficient.

Unemployment since 1928 in millions is about as follows: 1929, two; 1930, five; 1931, nine; 1932, 13; 1933, 14; 1934, 12; 1935, 11; 1936, 10, or **a total of 76-million years of man power wasted,** and forever lost.

Let us suppose this vast army of unemployed had been given employment in the production of materials for, and in the building of highways, **at a** decent living annual wage.

During this eight-year period of enforced idleness, this army of unemployed could have produced the machinery and material, and built a million miles of arterial highways, and 10-million miles of secondary paved roads—in fact a network of paved roads leading to every farm home in the nation.

—**S. O. Sanderson.**

Rochester, Minn.

Most Interesting I've Ever Read

To the Editor:

After having read SOCIAL JUSTICE since the first copy, I think that I should thank you for having given your readers the most interesting weekly paper I have ever read. **I wish it were possible for every family in the nation to have a copy.** May I make a suggestion? Please continue The Indicator, Congressional Recordings and The People Speak.

—**W. P.**

Chicago, Ill.

Youth Has Vital Interest in Future

To the Editor:

The United States will not be safe for democracy, nor safe from future depressions (if you figure we are out of the last one), until we have honest money — which is money coined and regulated by the representatives of the people. Let's try and do something about the situation before it is too late. I am young and the future looks darker to me than to the older folks because it is only logical to expect that I'll see more of it.

The program for social justice should be pushed now because when the Communists have taken complete hold, it will be too late.

Ours is the only country in the world that has a representative form of government. Let us keep it that way. Let's remind our representatives that they have all-important work to perform.

—**Roselia D. Liedel.**

Monroe, Mich.

Urges Common Cause for Justice

To the Editor:

This is by no means a "brilliant Protestant mind" speaking.

The child of a Protestant minister but broad-minded enough to believe in the fundamental and eternal principles of Jesus Christ, whether advanced by Catholic or Protestant.

In Jesus Christ and in social justice there is no black nor white, no North nor South. This has been stressed again and again. Then why not away with all sectional lines—this creed or that creed, and all pull together as one family with "malice toward none, and charity for all" in the fatherhood of God and the brotherhood of man?

—**Mrs. J. Kaye.**

Minneapolis, Minn.

President Can Trust the American People

To the Editor:

I believe I voice the sentiment of millions of Americans who voted for the president when I say that while I voted for him, I did not vote for the bunch of theorists and parlor pinks who continually surround him. The same group of men who would be eligible for appointment to the Supreme Court and who have, time after time, assisted in the drafting of legislation that was not only ridiculous but which only served to stop any real sincere legislation.

Everyone knows that the Frazier-Lemke bill, the Townsend plan and banking reform measures have been sidetracked by the substitution of totally inadequate bills, drawn up hastily and shoved through a rubber-stamp Congress by **men whose past records are absolutely devoid of liberal accomplishment and whose ability, judged by the bills they wrote, is to be frankly questioned.**

Why does the president say in one speech that one-third of the nation is in a terible condition and in another speech that there is overproduction? **There never has been overproduction in America.** There never has been a time in the history of this great republic when the people have been oversupplied. Underconsumption, yes. Lack of purchasing power, yes. Lack of employment to secure purchasing power, yes. Overproduction of wealth to a comparative handful of Americans, yes. But ask 99 out of a 100 Americans if they have too much! It is ridiculous to the point of fantasy.

Just the other day, at Santa Anita race track in California, the people bet a million and a half dollars in four hours. The same day, William Green announced that a million more men and women had been added to the breadlines. What is this leading to? The inference is plain. Wealth is becoming increasingly concentrated into the hands of a few and the great majority of Americans are being gradually disinherited.

We have surpluses all right, but they are the wrong kind. We have a surplus of fictitious fountain pen money, issued by the racketeering Federal Reserve Bankers and handed out as crumbs to the American people, to keep them from rebelling—in exchange for the promise of these same people to pay back double the amount in 30 or 35 years.

The other surplus we have is that of labor, not of products. From 1910 to 1930, employment increased 6 per cent, population 35 per cent and physical production 86 per cent. These are the figures of C. H. Slocombe of the Federal Research Personnel.

A transactions tax to equalize the taxation structure of the country and to tax according to the ability to pay (inasmuch as the consumer pays all taxes), a retirement plan as laid down in the General Welfare Bill, H.R. 4199 on a graduated bases, and the restoring to the American people their birthright of a constitutional money system are some things I should like to hear my president discuss in a fireside chat.

As a supporter of President Roosevelt, I also have a great and abiding faith in the wisdom of the majority of the American people. If the president has something that will really promote the general welfare, he does not have to keep it a secret. Tell us about it and we'll back him up on it at the state legislatures.

Never mind six new brain trusters and stooges on the Supreme Court bench. **Just propose legislation that is right.** The people will take care of the rest of it. The president can trust the American people.

—**James T. Walter.**

St. Helena, Calif.

White Collar Worker Is Real 'Forgotten Man'

To the Editor:

"The forgotten man"—who is he? Most people wil say, the farmer, but I disagree.

Reading an article recently, written by someone who referred to the farmer as the "forgotten man," I came to the conclusion that we should try to interest our statesmen and heads of business firms in who the forgotten man really is and has been all during the depression. **He is the man behind the desk or counter.**

These employes have had to take several cuts in their salaries which have not yet been returned to them. Think of a man with a family to support on $13 or $15 a week! Most of them pay rent—and with food prices soaring to the skies. Persons receiving government relief have more of the necessary food stuffs to eat than those families who can barely exist on the pay they are receiving. With these small wages they must buy everything in the line of food, clothing and housing.

The farmer can raise a living and good one at that, unless he is too lazy. Some farmers haven't as large a garden spot as others have in towns and cities. They are continually howling about the "poor farmer" and almost over night the government comes to their relief with millions of dollars.

The forgotten man is the underpaid wage earner, in the towns and cities, who are barely existing on the meager wages they receive. There are thousands of them, all over the United States; they are voters, too. Don't overlook that fact, Mr. Politician, and ask yourself this question, "What have I done for them?"

Did you ever stop to think that these wage earners who are keeping the wheels of industry running day and night should have the best of food and plenty of it—such as butter, milk, eggs, meat, vegetables and fruits — in order that they might have the proper amount of vitamins with which to keep physically fit?

I have made a particular investigation of large department store employes during the luncheon period. In most instances, they scan the menu hungrily and could eat a real luncheon, if what they had in their purses would last them through the week. But most often the order is "a sandwich and a glass of milk." Thousands of clerks exist on nothing more than "a malted milk" for luncheon.

An employer expects his employe to be cheerful and smiling, in spite of being undernourished and unable to purchase clothes that would give a neat, well-dressed appearance. Many of these employes can't even afford to get medical treatment when they need it. They haven't 1 cent left, even several days before payday.

Our heads of business firms, statesmen and politicians had better take some action to remedy this deplorable condition. They must see to it that salaries and wages are sufficient to cope with the present rise in food stuffs, so the wage-earner may be enabled to purchase the necessities of life. Pay them a living wage and you will have a happy contented people.

—**R. M. Egley.**

Fargo, N. D.

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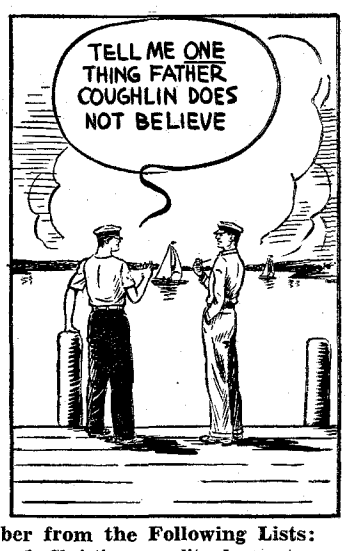
QUESTIONS FOR THIS WEEK

Picture No. 45

Picture No. 46



Make Your Selection by Number from the Following Lists:

1. Under our present system price levels cannot be arbitrarily increased.
2. Lack of the need of food does not mean possession of wealth.
3. Lack of the need of money means possession of wealth.
4. Usury is not immoral.
5. Debts are mathematical non-entities.
6. Social justice desires nationalization of all banks.
7. Anti-Communists are not unopposed to unAmerican and undemocratic principles.
8. The sit-down strike is in keeping with all morally justifiable relations between capital and labor.
9. Communism and Christianity cannot fail eventually to agree.
10. American bankers do not oppose issuance and regulation of money by Congress.
11. A dishonest money system would not insure lack of equitable credit for all manufacturers.
12. State chartered banks should not be privately owned.

1. Christian morality does not sanction private ownership of goods not honestly acquired.
2. The Federal Reserve Banks do not create "greenbacks."
3. Modern capitalism is radical.
4. Federal Reserve Banks are not really federal.
5. Capital is not in favor of workers not receiving a just, annual, living wage.
6. Capitalists do not oppose the non-regulation of the volume of money in existence.
7. The Constitution of the United States is not the unfundamental written law.
8. Consumer wealth cannot be used more than once.
9. When a genuine loan is not made for non-productive purposes there is no increase in the purchasing power.
10. Exercise of the power to tax is not confined to the United States Government.
11. Wealth cannot be created out of nothing.
12. Capitalism is not inharmonious with non-Christian principles.

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 45 For Question No. 45 I Select Answer No..... ☐ No. 46 For Question No. 46 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

AN EXTRA COUPON FOR A FRIEND OR RELATION

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 45 For Question No. 45 I Select Answer No..... ☐ No. 46 For Question No. 46 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

$7,000.00 In Awards Are Waiting

Time to Enter is Fleeting Fast

THREE MORE WEEKS!

Only 21 days remaining for you to strike for your share of more than $7,000.00 worth of prizes in the greatest social justice contest ever conducted in America.

Education—yes! But also a Grand Prize of $2,500.00. Also a Second Prize of $1,000.00 PLUS your choice of a Ford, a Plymouth or a Chevrolet sedan. A Third Prize of $400.00 PLUS your choice of a Ford, a Chevrolet or a Plymouth sedan.

And 365 additional awards!

THREE MORE WEEKS!

Just three more in which you CAN STILL ENTER this great competition—or neglect to do so—and place yourself in the ranks of those who will say: "It might have been."

ANYBODY CAN WIN THE GRAND PRIZE IN THIS CONTEST!

To win requires only a fair knowledge of what Father Coughlin stands for.

But the time is growing woefully short. In fact, there is NO TIME TO DELAY. It must be "now or never" with you.

The Past Pictures Coupon on this page is your "ticket." It will bring to you within a few days all past picture-questions which have appeared in the contest thus far.

So—what's the thing to do—right now?

Rules of Contest

1. Open to all readers of **SOCIAL JUSTICE**, except employees of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, December 21, 1936. Each picture contains a question concerning the principles of social justice laid down by Father Coughlin.
3. A Grand Prize of $2,500 will be awarded to the reader of **SOCIAL JUSTICE** returning the best or most appropriate answers to the questions appearing in all 50 pictures and otherwise complying with these rules. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly coupon. The remittance of 10 cents in coin each week is in payment for Father Coughlin's book, **"Money: Questions and Answers."** Purchase of this book is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for coupons arriving unduly late. By entering the contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties aditional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do **NOT** decorate coupons. Neatness will not count.
8. Any inquiry the reply to which could not affect outcome of contest will be acknowledged.
9. A contestant may send in any number of sets of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set will be entitled to one book for each set submitted.

GET IN AND WIN!

Grand Prize $2,500

SECOND PRIZE $1,000.00
And the Choice of Ford, Plymouth or Chevrolet Sedan

THIRD PRIZE $400.00
And the Choice of Ford, Plymouth or Chevrolet Sedan

FOURTH PRIZE $100.00

Four Prizes of $50.00 Each
100 Prizes of $10.00 Each
260 Prizes of $5.00 Each

DON'T DELAY — ACT TODAY — AND WIN

"CONTEST EDITOR,"
SOCIAL JUSTICE,
ROYAL OAK, MICHIGAN.

I wish to enter the "KNOW SOCIAL JUSTICE" Contest at once and be on an even footing with all other contestants.

Please send me, free of charge, all Past Pictures which have appeared up to date.

Name .....

Address .....

City..... **State**.....

We See by The Papers

(Editor's Note—SOCIAL JUSTICE has frequently observed and commented upon the fact that approval of Father Coughlin's program comes from increasingly eminent sources while the quality of the adverse criticism deteriorates. We have been cheered also to note approval in some columns that in former times were more sharply critical)

Clergy Applaud Father Coughlin

From the Western Catholic
Quincy, Ill.:

"The banquet that followed the installation of his excellency, Bishop Duffy of Buffalo, N. Y. was a brilliant affair.

"Leaders in church and state figured in that gathering.

"During the banquet of course everybody was enjoying himself. All of a sudden great applause broke the silence! A priest walked to the head table where Bishop Duffy presided. The greeting was touching! It was the famous Father Charles E. Coughlin greeting, congratulating Bishop Duffy! The applause was inspiring! Father Coughlin congratulating his old, tried and true friend, Bishop Duffy.

"Our readers will be pleased to know that Bishop Duffy is an old admirer and friend of Father Coughlin."

Editor Meets Radio Priest

From the Catholic Union and Times
Buffalo, N. Y.:

"This writer spent a very pleasant and instructive hour with Father Coughlin during the day of Bishop Duffy's installation.

"Very modest in the face of all the adulation he has received in past years, Father Coughlin does not present an attitude which one would imagine him to take from his radio addresses.

"Off the air, Father Coughlin discusses our economic and social problems with a quietude and serenity that is directly contrary to the fiery manner in which he discusses these before the microphone. He exhibits all the earmarks of the humble priest. He immediately gains the confidence and the respect of his listeners gathered in a room. He is a man among men with a sincere, kindly willingness to listen to the views of others. . . .

"The praise he has received has not spoiled him and the condemnations hurled at him have not ruffled his temper. He is calm through the storm he has passed. He is not affrighted by the attempts to muzzle his expose of certain influences and so-called powers that tried to steer him into oblivion. He is still the same Father Coughlin, loved by many and criticized by others. He is still the same priest that held millions in the persuasion of his voice."

Welcome Return To the Radio

The Catholic Daily Tribune of Dubuque, Iowa, which recently conducted an essay contest on "Why I Agree with Father Coughlin," carried the following editorial comment:

"The return of Father Charles E. Coughlin to the radio had been the occasion for a great deal of watchful waiting. The secular papers made few comments. The Catholic press has said very little editorially. But the speeches which Father Coughlin has made in 1937 seem to indicate a return to the sentiments which he expressed at the start of his radio career. The pastor of Royal Oak is probably the most effective speaker in the Church. He can be again, as he once was, the most effective advocate of social justice who has yet appeared on the American scene. This column is happy to welcome him back to the radio.

"As the Catholic Review recently remarked: 'The Review has felt that Father Coughlin had an opportunity to promote social justice such as was offered no other American citizen. It still feels that way.'"

Our Sunday Visitor Commends Activity

From Our Sunday Visitor
Huntington, Ind.:

"Without reservation, we desire to go publicly on record with the statement that Father Coughlin deserves a sincere vote of thanks from the American people for his efforts in the cause of social justice.

"The seed that Father Coughlin has so opportunely sown, the instruction he has so ably given, the interest he has so warmly aroused on public questions affecting the welfare of millions, has fallen on good ground, and in time will bear abundant fruit."

Buy Farms Back Peterson's Plea

(Continued from page 5)

selfish and designing schemes of those who gladly barter our people into serfdom. It is the duty of government to give such protection.

I propose now that we buy from the insurance companies, the banks, the Federal Land bank, and other financial agencies their liens on this farm land and give it again free of debt back to these deserving American farm families.

I likewise propose that we protect in the future these homesteads for the good fathers and mothers who occupy them as they earn an honest living by tilling the soil while they earnestly strive to properly rear their children and provide for their families.

We gave thousands and thousands of these good farms free of debt to foreigners when they first were settled. We even begged European families to come to our land. We promised them fine homes without one penny's cost to them. And we stood by our promise.

Now, however, all the nation's farm population faces a common peril. One by one they are being hurled into an inferior position of tenantry and serfdom, with no hope, no avenue of escape, no means of help.

Is there anything wrong in extending to our farm population **the same aid and assistance which we so readily gave to our European neighbors in the past**—the same aid which this government under its free homestead policies has always offered to destitute humanity?

More than $10-billion of this nation's wealth has been poured into the laps of European families during the last 20 years. We have received nothing in return.

The total sum of all farm mortgages of every description in this country **will equal far less than the $10-billion** which we have so readily given to peoples of foreign lands.

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Early Presidents and Congress Careful: Fewer Cases for Court

By Louis B. Ward

IT IS understood that the Constitution is a fixed, fundamental, basic and supreme law of the land, establishing the legislative, the executive and the judicial departments and the authority or sanction of all their operations.

The following provision from the Constitution is extremely important: "The Senators and Representatives before mentioned and the members of the several state legislatures and all legislative and judicial officers both of the United States and of the several states, shall be bound by oath of affirmation to support this Constitution"; . . .

Much has been made of the fact that between 1789 and 1857, in a period of 68 years, the Supreme Court declared but one Act of Congress repugnant to the Constitution, and consequently, void.

Early Presidents Vetoed Bad Laws

The first 68 years of American experience under the Constitution found Congress dominated by the men who served in the federal convention or the men close to the tradition of the Constitution. The following 80 years showed a careless Congress in respect to the oath of affirmation to support the Constitution.

The first 68 years showed president after president conscious of the oath to support the Constitution, as proven by the use of the veto power, not merely as a participation in the legislative function through the negative but also the use of the veto power to declare laws passed by Congress unconstitutional. This is a forgotten chapter of American constitutional history.

I submit the record of the chief executives in the first 68 years as contrasted to the record in the last 80 years:

Washington

George Washington, president of the convention that drafted the Constitution, in his first administration, vetoed the appropriation bill of 1792. The grounds of his veto are expressed in one word—"unconstitutional."

Washington refused to recognize a House resolution demanding information on the Jay treaty on the grounds that it was unconstitutional. This is not a veto. It is the executive declaring the work of Congress, or of one House of Congress, unconstitutional.

Jefferson

Thomas Jefferson refused to enforce the Alien and Sedition Laws, already on the statute books—completed legislative acts, passed by Congress, signed by his predecessor. Jefferson believed in his oath of affirmation to support the Constitution. He did not believe that the Alien and Sedition Laws were passed "in pursuance thereof"; he distinguished these particular laws from the Supreme Law of the Land, because they were not passed in pursuance of the Constitution. He voided them by executive act, or failure to enforce on the grounds of unconstitutionality.

Madison

James Madison, on March 3, 1817, vetoed the "International Improvement Bill," not because of policy, for he had recommended internal improvements in his message but because the bill, as drafted, was unconstitutional.

Madison, in the presidential message on March 4, 1817, took occasion to express his opinion in advance against the right of Congress to establish a system of internal improvements.

Monroe

James Monroe vetoed an act of Congress on the ground of unconstitutionality. On January 7, 1819, and thereafter, Congress thoroughly debated its constitutional power to pass bills providing internal improvements and came out with a bill—"For the Preservation and Repair of the Cumberland Road." It passed both houses and was returned to the House of Representatives by President Monroe with the suggestion "that Congress do not possess the power under the Constitution to pass such laws."

I quote the language of the president's veto message: "Congress do not possess this power; that the states, individually, cannot grant it: . . . This power can be granted only by an amendment to the Constitution, and in the mode prescribed by it."

Again, I quote from the same long message: "An amendment to the Constitution ought to be recommended to the several states for their adoption." — (The American Statesman, by Andrew W. Young, page 312.)

Jackson

Andrew Jackson, in 1832, vetoed a bill for establishing the third Bank of the United States on the grounds that it was unconstitutional.

Jackson vetoed an internal improvement bill "For the Maysville and Lexington Road in the State of Kentucky." He refers not only to his annual message but to the opinions of Madison and Monroe on the unconstitutionality of similar acts of Congress. In the debate to override this veto, participated in by Daniel of Kentucky and Stanbery of Ohio, the same charges we hear today were levied against Andrew Jackson, because the executive was laying down the Constitution and side by side of it laying down the act of Congress and deciding, as of old, an act against the Constitution is void.

James K. Polk, one day to be president, replied that Madison, Monroe and Jackson **were preserving the Constitution and perpetuating our liberties. Polk defended the veto power as a check on the unconstitutional Acts of Congress as well as a participating power in legislation.**

Jackson, in the same session of Congress, vetoed the Washington Turnpike Company Bill, the Louisville and Portland Canal Company Bill, on the ground of their unconstitutionality.

Andrew Jackson, when in 1830 the McDuffie bill, re-establishing the United States bank was passed and vetoed on the ground that it was unconstitutional, said: **"The Congress, the executive and the court, must each for itself be guided by its own opinion of the Constitution. Each public officer who takes an oath to support the Constitution, swears that he will support it as he understands it, and not as it is understood by others. . . . The opinion of the judges has no more authority over congress than the opinion of Congress has over the judges, and on that point the president is independent of both."**

Andrew Jackson, on December 5, 1833, vetoed the Clay bill for distributing the revenue received from public lands, on the ground that it was unconstitutional because it distributed money for local projects.

Tyler

John Tyler, in 1841, became president; William Henry Harrison having died. "The Fiscal Bank of the United States" was proposed by Congress, incorporating in the District of Columbia, with power to establish branches only with the assent of the states. Loans and discounts were prohibited; loans to officers forbidden; dealing in stocks and commercial operations forbidden; and every other constitutional guarantee was attempted. John Tyler vetoed the bill as unconstitutional, commenting to the effect: "The people knew his views for 25 years; he was sworn to support the Constitution; it would be criminal to give his assent."

A new bill was proposed, after studying his objections, and was vetoed.

Then Tyler vetoed a third Fiscal Corporation Bill.

Tyler vetoed the Tariff bill of 1842, because it abrogated the provisions of the Tariff act of 1833, which was a compromise tariff between the states, and every moral obligation and ethical prinicple demanded the continuation of the compromise theory. This is the old, old theory that an act not only against the Constitution but repugnant to natural equity, is void.

Millard Filmore said that the question was "Whether Congress or the executive should legislate for the nation." Today comes the like protest, "Whether Congress or the Supreme Court shall legislate for the nation."

John Tyler then vetoed the substitute bill with what is called the "ditto" veto.

Tyler vetoed an unconstitutional tariff measure without the feature of distribution. He also vetoed a separate bill including the distribution feature.

Polk

James K. Polk vetoed an internal improvement bill on the ground that it was unconstitutional.

Pierce

Franklin Pierce vetoed an internal improvement bill on the ground that it was unconstitutional. Pierce, on May 3, 1854, vetoed a congressional grant to indigent insane. This is the language he used: "I cannot find authority under the Constitution for making the federal government the great almoner of public charity throughout the United States.

"Today this would be contrary to the letter and spirit of the Constitution and subversive of the whole theory upon which the union of these states is founded."

Buchanan

James Buchanan, in 1859, vetoed the first Agricultural Aid Bill, on the grounds that it was unconstitutional.

Buchanan, in 1860, vetoed the "Rivers and Harbors Bill," on the grounds that it was unconstitutional.

Buchanan, on June 22, 1860, vetoed the "Homestead Bill," on the ground that it was unconstitutional.

Cleveland

Grover Cleveland, in 1887, vetoed a bill with a congressional grant of seeds to the farmers of Texas after the drouth of that year. He said: "I can find no warrant in the Constitution for this grant."

All These Bills Never Got to Court

Why did we review particularly the history from Washington to Buchanan? **President after president vetoed the Acts of Congress because they were unconstitutional. That is why the Supreme Court of the United States between 1790 and 1857 had to declare but one Act void as repugnant to the Constitution.**

John Marshall usurped no power; Congress, conscious of its constitutional oath and led for years by men who served in the federal convention, knew what the Constitution was, abided by its oath.

George Washington checked the House when it overstepped its constitutional prerogative. He vetoed a bill passed by Congress on the ground of unconstitutionality. **Madison, Monroe, Jackson, Tyler, Polk, Pierce, Buchanan and Cleveland all vetoed Acts of Congress because they were unconstitutional and never got to the Supreme Court for review.**

Congress fought the executive use of the executive's constitutional power as fiercely as does the Executive now fight the Judiciary's use of its constitutional power.

The conclusion is, Congress can be wrong and has often been wrong, being checked by the Executive and the Supreme Court.

Executive Would Impose His View

In 68 years of our history, but one case ever got as far as the Supreme Court.

The true doctrine is stated by Andrew Jackson: **"The Congress, the executive, and the court, must each for itself be guided by its own opinion of the constitution. Each public officer who takes an oath to support the constitution, swears that he will support it as he understands it, and not as it is understood by others."**

The trouble is that the president of the United States wants Congress to understand the Constitution as he, the president, understands it and, therefore, sends over his type of legislation.

The trouble today is that the president of the United States wants the Supreme Court to understand the Constitution as he, the president, understands it and not as the judges understand it.

Early Congresses Also More Careful

There is another reason why the Supreme Court in 68 years declared but one law unconstitutional. Congress itself, throughout the first 68 years of our history, scrutinized the constitutionality of its own bills.

The act for the aid of sufferers from the Savannah fire of 1796 was defeated with a vast majority of Congress wanting the legislation but deciding it was unconstitutional as a relief measure.

The Caracas Venezuela earthquake aid bill of 1812 was re-drafted as a foreign relations measure to make it constitutional.

In 1847 a bill for the relief of the Irish famine sufferers was beaten because Congress debated its powers under the Constitution to give relief.

In 1872 no federal relief was given the victims of the Chicago fire, when

(Continued on page 16)

Ward Presents Historical Aspects of Judicial Review

SOCIAL JUSTICE in its edition of May 10 carried the first instalment of Louis B. Ward's argument before the Senate Judiciary committee against the bill to pack the Supreme Court. Mr. Ward presented the historical argument on the right of the courts to declare laws unconstitutional.

L. B. Ward

Further portions of the argument are herewith presented.

"Throughout the northwest portion of this country," said Mr. Ward, "the propaganda has been floated by the administration to the effect that the Constitutional convention 'four times voted down the right of the Supreme Court to declare laws unconstitutional.'

"Likewise the propaganda has been spread that John Marshall, Chief Justice of the United States, 'usurped' the power to declare laws unconstitutional.'"

Mr. Ward's answer refuted these charges by calling the roll of the 55 delegates, representing 12 Colonial states present to the federal convention, to show that the framers of our Constitution knew the rights of the courts to declare invalid laws repugnant to the Constitution.

"Every delegate understood the doctrine of judicial review," Mr. Ward concluded. "All lines converged in that Federal convention. The principle of mandate from the Roman law; the court decisions of England from Edward I on; the principles of Coke, Vattel and Blackstone; the colonial charters; the action of the King in Council in voiding laws against natural equity, right reason, the common law or the statutes of England; the provisions of the state constitutions; and the decisions in the several states before the federal convention convened; the repudiation of the judicial negative and the acceptance of the Supreme Law Clause, and, finally, the arguments before the people, all these elements affected every mind in the Fderal Convention.

"John Marshall could not usurp what had always been his right and duty."

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No Recovery Without Financial Reform

SOCIAL JUSTICE

Father Coughlin's Weekly Review

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Four Senators Back Revision To Put "Teeth" in Neutrality

Behind the Washi ngon News Front

From Capital Bureau of SOCIAL JUSTICE

Heard in the national Capitol shortly after George L. Berry was sworn in as the successor to the late Senator Bachman of Tennessee:

"John L. Lewis ought to be very happy today. He's in the United States Senate!"

Early Leaders More Careful

(Continued from Page 15)

all Congress wanted to aid them, because the grant was considered unconstitutional.

Then came the break, and 1874 marks the break. There was a flood on the Tombigbee river in Alabama. Four hundred thousand dollars was granted for bacon and flour. The river receded, the distribution was made, **not in the spring at the time of the flood, but in the fall, the time of the election.** The bacon was called "overflow bacon" and Congress did not raise the point of unconstitutionality. The president did not raise it. It never got before the Supreme Court.

In 1875, $180,000 was granted South Dakotas, Nebraska and Kansas for grasshopper relief.

In 1882, $270,000 was granted for Mississippi flood relief.

Court Last Bulwark Of Constitution

In 1884, John F. Follett of Ohio, could say **"Necessity knows neither law nor constitution."** And in the same year, S. S. Cox of New York, could say **"Since the war, little impression has been made by protests against the breaches of our organic law."**

The point is, that from 1789 until the Civil war, Congress scrutinized the Constitution. From the Civil war on, Congress and the presidents forgot the Constitution in the matter of the first 10 amendments, and from Grover Cleveland on, Congress and the presidents forgot the Constitution and left the responsibility to the Supreme Court of the United States.

Pack the Supreme Court and the 60 years will find little unconstitutional legislation! **The packed court will "not permit its doubts on constitutionality, however reasonable," to interfere with its approval of laws.** The tripartite government is two-thirds destroyed as Congress accepts Executive domination and grants constantly increasing powers to the president.

The Constitution is broken to smithereens the day this nation follows the England of the Stuarts and announces, **"There is a divinity that doth hedge a King."**

Investigating the Rebels

REVEREND HARRY WARD and Bishop McConnell, two well known Soviet lovers, have persuaded Senator Gerald Nye to arrange for a congressional investigation of Americans and residents in the United States who are supporting the so-called rebels in Spain.

Recognizing that the rebels under General Franco are the anti-Communists and the so-called Loyalists are died-in-the-wool reds, this proposed investigation to be conducted by Senator Nye comes as a shock to his many friends.

The Communist "Daily Worker" was first to broach the subject. This paper claims to have documentary evidence in its possession supporting the charge that certain Americans are aiding and abetting General Franco against the Russian reds now masquerading under the name of Loyalists in Spain.

The American Society for Spanish Democracy, the American Friends of Spanish Democracy, the League against War and Fascism are some of the radical organizations prepared to support Senator Gerald Nye in his attempt to stir up public opinion in favor of the Loyalists who already have massacred in cold blood more than a thousand priests during the recent Spanish civil war.

If this move to gain sympathy for the Spanish reds gains a hearing on the Senate floor, a large group of Senators will propose a counter investigation having as their object the activities of Americans in supporting organizations against war and Fascism.

Be it noted that the League Against Fascism makes no attempt to prevent Communism from gaining the ascendancy in America.

Nye Would Investigate Aid to Warring Spain

Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—There was no real connection between attacks on Fascism by Senators Borah and Nye, despite the efforts of significance-seekers to impute one.

The two senators were shooting at widely different targets.

Mr. Borah was concerned with a purely internal situation. He pointed to the growing influence of Fascist minded "organizations and individuals" in the United States and attacked them as a menace to democracy.

While he mentioned no names, the senator's remarks were generally interpreted as a thrust at the White House and John L. Lewis, the union chieftain.

Nye Would Probe Arms Shipments

Senator Nye, on the other hand, dealt with international aspects. He was aiming at Fascist elements in America who, he charged, were rendering aid to the rebel forces in Spain. His speech on the floor was calculated to intensify the drive for amendments to our draughty neutrality act.

In an interview following the speech, the senator told SOCIAL JUSTICE he had "definite information of arms shipments from the United States to a certain country in South America for trans-shipment to Franco's army in Spain."

Asked if he had knowledge of similar shipments, reportedly moving out of the United States for use by Spanish government forces, the senator said he was "unaware" of them.

"I do have reliable information, however," he asserted, "that the Franco army is getting aid from the United States. There are a lot of violations of the neutrality act by individuals and organizations in sympathy with the Fascists. A lot of goods is being shipped to South America, and thence to Spain."

Would Investigate Both Sides

The North Dakota senator refused to reveal what South American nation he had in mind "until all facts in the case have been thoroughly investigated."

Apparently embarrassed by the gaudy publicity given his remarks by the "Daily Worker," Communist publication, and fearing lest he be identified as a defender of the Spanish red army, Senator Nye later broadened his original statement into a sharp attack on American interests aiding "either army" in Spain.

Next day in the Senate, he said: **"I want an investigation of what both sides are doing; yes, what all sides are doing."**

Would Deprive President of Sole Word on Shipping

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D.C.—Fearing an outbreak of war within the next year in Europe, and the dire possibility of our own involvment, four senators have introduced a jointly-sponsored amendment to the new 1937 neutrality act.

The amendment would revoke the discretionary "cash and carry" feature of the law and would make this policy automatically effective after the president proclaims a state of war between foreign governments or between factions in foreign civil conflict.

The quartet of senators urging this necessary tightening of the act are Bennett Champ Clark of Missouri, Homer T. Bone of Washington, Gerald P. Nye of North Dakota and Arthur H. Vandenberg of Michigan, all of whom were actively associated in the investigation of the munitions industry last year.

Too Much Power For Any One Man

These vigorously outspoken senators feel that the fate of the United States in time of war abroad should not be left solely to the discretion of the president; **that no one man is qualified** to say what essentials of war may be carried on American ships to belligerents and what essentials must be carried from our shores on foreign vessels.

Under the act, as now written, the president, after proclaiming a state of war abroad is empowered to issue a second proclamation listing the articles of war which, in his opinion, may be transported safely on American ships.

The amendment proposed by the four senators would correct this dangerous provision by requiring foreign belligerents, or neutral agents to call for American products of war in their own ships.

It would make the "cash and carry" policy immediately effective and would divest the president of the right to issue a second proclamation.

Nye Demands Spanish Probe

It was after Senator Clark introduced the amendment that Senator Nye took the floor to demand an investigation of alleged "pro-Franco operations" in this country.

He charged the existence of a Spanish rebel "spy ring" in the United States, which, he said, included Juan Francisco de Cardenas, former Spanish ambassador to the United States.

Senator Nye quoted letters purporting to show that arms are leaving this country for use in Spain.

His allegations of espionage activities were aimed at Garcia Diaz, a New York firm of steamship operators and owners.

Asserting that a collusion exists between this company and Cardenas, the Senator declared:

"They have sought to collect funds for the Franco cause and have carried on in a way to indicate that they constituted the clearing house for Spanish insurgents in the United States. Their source of income is suspected."

Extends Inquiry To Both Sides

Repercussions against the Nye charges were not long in developing, and the next day the Senator was forced to make another statement representing himself as **opposed to all American activities in behalf of Spain,** whether pro-government or pro-Franco.

"Such an investigation as I proposed yesterday," said the Senator, "ought not to be confined to such persons as Garcia and Diaz and Cardenas. It might well include all agencies foreign to our country which are participating in the present struggle to win American favor for one side or the other."

It was well that Mr. Nye decided to broaden his position, for, almost as he spoke, news dispatches came from Spain carrying a list of casualties in the "Abraham Lincoln" battalion, an organization reported to be composed of Americans fighting for the Communists Most of the names bore New York addresses.

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